

Presentation Outline

- 01 Carbon Fund Portfolio
- Forest-Dependent
 Indigenous Peoples
 and Local Communities
- Measurement, Reporting, and Verification (MRV) (+CATS + CORSIA + ICROA)

- Sharing Knowledge and Raising Visibility
- 05 Concluding Messages



Carbon Fund Portfolio



in the Carbon **Fund**

Fiji

Milestones: Emission Reductions Payment Agreements

- \Box 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

- \square 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
- \square Number of countries that have met ERPA Conditions of effectiveness in FY23 = 3
 - o DRC, Guatemala, Vietnam
- Total number of countries that have met ERPA Conditions of effectiveness to date
 = 15
 - Chile, Costa Rica, Cote d'Ivoire, DRC, Dominican Republic, Fiji, Ghana,
 Guatemala, Indonesia, Lao PDR, Madagascar, Mozambique, Nepal, Republic of Congo, Vietnam

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

- \square Number of countries that have their 1st ER Monitoring Report available = 10
 - Costa Rica, Dominican Republic, DRC, Fiji, Ghana, Indonesia, Lao PDR, Madagascar, Mozambique, Vietnam
- Number of countries that have their 1st ER Monitoring Report submitted, yet to be published online = 3
 - o Chile, Cote d'Ivoire, Guatemala
- Number of countries that have their 2^{nd} ER Monitoring Report available = 1
 - Mozambique
- Number of countries that have their 2nd ER Monitoring Report submitted, yet to be published online = 1
 - o Ghana

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 = 4
 - o DRC, Republic of Congo, Guatemala, Vietnam
- ☐ Total number of country participants with published Final Benefit Sharing Plans (BSPs) to date = 15
 - Chile, Costa Rica, Cote d'Ivoire, DRC, Dominican Republic, Fiji, Ghana, Guatemala, Indonesia, Lao PDR, Mozambique, Madagascar, Republic of Congo, Nepal, Vietnam

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 = 4
 - o Costa Rica, Ghana, Mozambique, Madagascar
- Number of countries that the Validation and Verification for the 1st ER Monitoring Report have been initiated = 4
 - o Dominican Republic, Indonesia, Lao PDR, Vietnam
- \square Number of countries with their 2nd Verification Report available = 1
 - Mozambique
- Number of countries that have received ERPA Payment = 6
 - o Costa Rica, Ghana, Mozambique | Cote d'Ivoire, Indonesia, Lao (advance only)

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.



Capacity Building Program Consolidation phase (1)

- □ Consolidation Phase 2021-2023, \$5 million to support IPOs and CSOs, focused on finalizing activities, and consolidation of the knowledge products, and good practices on REDD+, particularly in Carbon Fund countries.
- ☐ In **Africa**, PACJA's overall reached 59,612 direct beneficiaries with 50% of them women, with 64 new cases of participation of CSOs in national REDD+ processes and structures in various countries. The final phase resulted in <u>Our Journey on REDD+</u>' publication.
- MPIDO generated 5 country level and regional series 'Looking Back to Look Forward' focused on suggested strategies for IPLCs engagement in REDD+ and Paris Agreement. There were 3 regional workshops organized in 2022-2023. At the national level, activities have been undertaken to develop forest usage plans, produce short videos to capture local voices on forest conservation, and support IPs in the identification and mapping of land rights.



Capacity Building Program Consolidation phase (2)

In **Francophone Africa**, REPALEAC has been supported to be represented at the COP27, with capacity enhancing activities focused on Paris Agreement, technical aspects of FPIC, strengthening operational and financial management capacity of the organizations- members of the network.

There were five country-level CBP in Africa: Madagascar, Mozambique, DRC, ROC, and Ghana in 2021-2023. The examples of these programs and their results:

- **Madagascar**: dialogues and workshops were organized in 19 communities reaching more than 4000 people on leadership and advocacy, community rights and women's rights, REDD+ -climate change- sustainable forest management with focus on basic information related to policies and laws, elaboration and development of benefit-sharing plan
- **Democratic Republic of Congo:** 143 IPs from Inongo, Oshwe, Kiri participated in the capacity building workshops on REDD benefit sharing, land tenure, IPs' rights
- **Republic of Congo:** building awareness on IP rights in the context of benefit sharing in the ERP



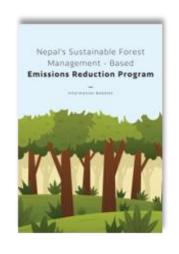
Capacity Building Program Consolidation Phase (3)

- ☐ In **Asia and the Pacific**, Tebtebba and Ansab extended grants to 7 organizations reaching 4,800 beneficiaries, 48% of them them women. Activities included community awareness about the ERP, safeguards, grievance mechanism, benefit sharingng, and creating dialogue spaces at the local and regional level.
- In Latin America, Sotz'il and ACICAFOC extended sub grants to 19 projects and reached 14,380 beneficiaries with 51 % of them women with 54 new network collaborations among the participants after the educational activities to develop or continue REDD+ activities. Examples of activities include increasing the participation of women and youth in decision-making processes, use of ICT-based tools to reach vulnerable groups, and building project management capacity at the local level



EnABLE supporting social inclusion in FCPF ER Programs

- Supporting social inclusion of IPLCs, women, youth in FCPF Emission Reductions Program in 12 countries with Knowledge and Capacity Building Grants, and 3 remaining countries to initiate KCBP in June- August 2023
- 4 Country Projects are under preparation and start implementation in 2023 by CSOs in Mozambique, Ghana, Lao PDR and Indonesia with a total amount of US\$13M
- **2** new Country Projects proposals for a total of US\$7.7 (Costa Rica and Nepal) to be reviewed in May 2023 and expected to start implementation in 2023.
- 2 Training of Trainers sessions on project management for IPLCs and CSOs organized in November 2022 for Africa's CSOs and in January 2023 for Asia's CSOs with more than 60 participants from 11 organizations, including Intermediary Organizations of the FCPF Capacity Building Program





Social Inclusion Analytics and Outreach



- Development of **Social Inclusion Framework Note** to identify constraints and opportunities for enhancing social inclusion in FCPF CF programs.
- ☐ Development of **Guidance Note on Social Inclusion Targeting** as an instrument to identify social inclusion constraints, develop strategies and actions, and monitor progress over time.
- Launch of *Get REDDY*, an outreach activity for and by IPLCs on REDD+. Radio, <u>podcast</u>, and <u>video</u> episodes are available in English, French, and Spanish, along with audio in Bahasa Indonesia, iTaukei, and Nepali. Over 50 million people were reached through 10 episodes.
- Accra Dialogue with 60 Indigenous Peoples' experts on Result-Based Climate Finance as pre COP28 in November 2023

Country/region specific work - examples

- □ Lao PDR Securing customary land tenure <u>initiative</u> in Lao PDR, culminating in reginal conference on recognition of customary and forest area tenure in November 2022.
- Vietnam Vulnerabilities of marginalized communities in light of climate change
- ☐ Dominican Republic Migration, livelihoods and climate change
- ☐ Impactful Benefit Sharing Training Module for Practitioners (initiated)

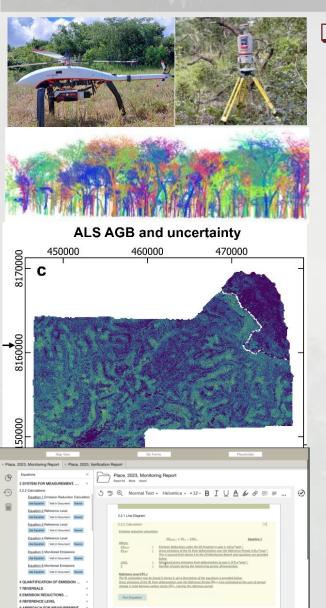








MRV - MRV Support Program



- **☐** MRV 2.0. Streamlining the MRV process
 - ☐ Phase 1 (Sylvera): **Enhanced field biomass estimation**:
 - ☐ Mozambique estimates delivered (TLS, Airborne Lidar, Biomass map for 50k ha)
 - ☐ TLS training provided to MRV team (biomass estimation at tree and plot scales)
 - **Major Find:** Miombo Woodlands stores more biomass than previously estimated. Paper *in process*
 - □ Phase 2 (ESA GeoVille): Extrapolation to all
 Zambezia: Global data-based map developed as first test, overestimates biomass by 45% → enables bias calibration and estimates use.
 - □ Phase 3 &4 (Cal-Poly/AWS): MRV Platform design → streamlined reporting for ISFL and FCPF. Expedite reporting process and Validation and Verification (Takes 42 weeks).

MRV - MRV Support Program

- ☐ Global Forests Observation Initiative GFOI Summit in Rome May 5-12 (Collaboration with FAO, USFS, USGS, Silva Carbon, USAID, ESA, NASA, JAXA, UMD, U Wageningen, Etc...)
 - Launch of GFOI Family of Resources (https://www.fao.org/gfoi/news-events/news/detail/en/c/1638809/)
 - R&D Component:
 - o Support for monitoring of Degradation
 - Sampling approaches for AD generation (optimized sampling for CIV)
 - Use of biomass maps to inform LULC changes towards IPCC AFOLU
 - Linking NFI data to global observations
 - Country Led Planning (CLP): Towards consolidation of capacity building (With FAO AIM4Forests)



MRV - Requirements and Verifications

- ☐ The FMT prepared and hosted a webinar on **updates to the FCPF ER Monitoring**Report and the Validation and Verification Process. More than 100 participants from the 15 FCPF Programs attended the session.
- Minor improvements were made to the MR, validation, and verification templates following the identification of lessons learned.
- □ During the FY, the FMT has provided specific **training sessions** on Validation/Verification to Guatemala, Dominican Republic, Lao PDR, Fiji, and CIV.
- On-going Validation and Verification processes: Dominican Republic, Indonesia, Lao PDR and, Vietnam. To be launched before the end FY23: Fiji, DRC, and CIV.
- ☐ The FMT removed the Announcement covering the provisions for remote visits during the COVID-19 pandemic from the FCPF website. This was done to clarify that the current situation allows the planning and execution of country visits as part of the Validation and Verification Process.
- ☐ The FMT is working with ANAB to **update the Validation and Verification guidelines based on the latest versions of the ISO requirements**.

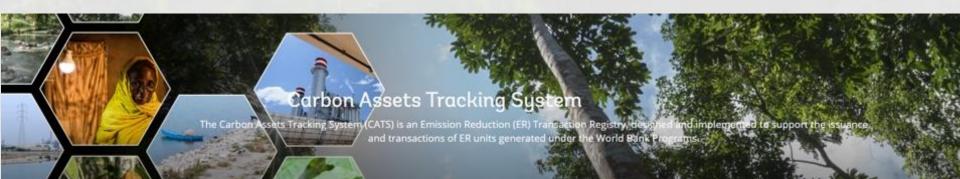
CATS Registry

- ☐ The World Bank ER transaction registry, referred to as the **Carbon Assets Tracking System (CATS)**, has been fully operational since June 2020.
- ☐ 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, Costa Rica REDD+, Ghana Cocoa Forest REDD+), with a transacted volume of 8.4 M of ERs (2.9 M, 4.1 M and 1.3 M resp.).



CATS Registry - CATS 2.0

- Enhancements to improve system performance and to align procedures with Art. 6 (PA) developments or international initiatives ICAO-CORSIA phase 1: Public dashboard and Reporting Tools, Double claiming procedures (CAs incl).
- ☐ Accommodation of new WB ER Programs: TCAF, SCALE, WB lending operations.
- ☐ Digital MRV: 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 (Climate Action Data Trust, Tokenization Engine (risk assessment), CATS for third-party transactions (risk reassessment).
- ☐ Host-country support and capacity building 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;
 - o 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 FCPF was fully approved by ICAO to provide CORSIA-eligible units for its 2021-2023 compliance period (Pilot Phase)
- ☐ In March 2023, the FCPF applied to become eligible to supply CORSIA-eligible units for the compliance period (2024-2026). The TAB is currently assessing the application







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 conditionally endorsed include









and

- ☐ 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.
- A first draft application has been prepared and it is currently being reviewed by the FMT. The application is expected to be submitted before the end of the 23FY.

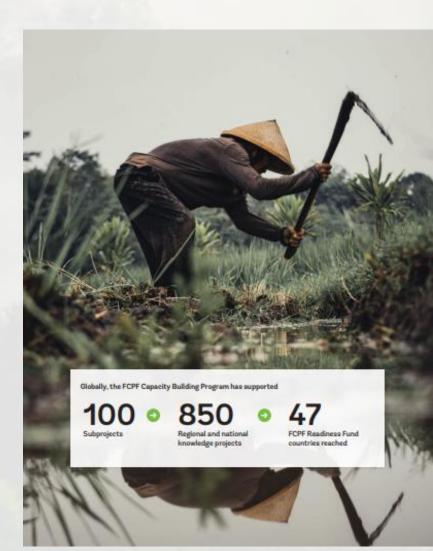
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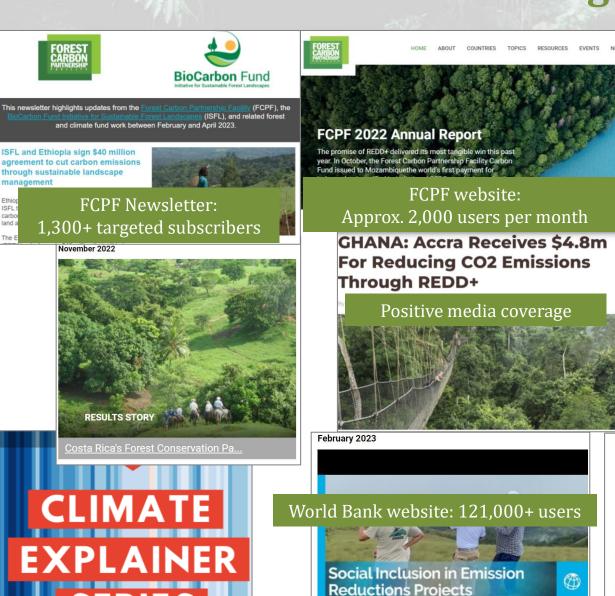
FCPF Annual Report for FY22

FCPF Annual Report for FY22: view online





Communications highlights



RESULTS STORY



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

country is set to receive up to \$50M for 10M tons of CO2 emission reduced through 2024.

Learn more: wrld.bg/Vs0Z50MAptY

Multimedia





Managing risk

Mainstream media/stakeholder interest in REDD+ has risen steadily in the past few years ☐ Guardian investigation in to Verra in January 2023 ☐ Led to drop in market price for REDD+ credits ☐ Skepticism re: quality of ERs/credits and sustainability of REDD+ credits Steady uptick in inquiries about the FCPF ☐ Die Zeit (linked to Guardian – mitigated); Carbon Pulse Other typical lines of inquiry include: price paid for emission reductions credits, inclusion, benefit sharing and local issues relating to programs Rigorous defensive lines prepared on key issues such as carbon credits, baselines, MRV, etc mitigated negative coverage - to be strengthened further for comms on the FCPF Standard

Communications Overview FY24

Summer 2023

FCPF Standard comms
Auction mechanism
ERPA payments
Video/photography mission – DRC

Ghana Climate story and video Explainer on CATS Registry FCPF infographic Mottley/Macron summit - June

Fall 2023

FCPF Standard comms
Annual Report
ERPA payment announcement(s)
Auction mechanism

Video/photography mission – Cote d'Ivoire Benefit Sharing Explainer Feature/video WB Annual Meetings - October

Winter 2023/24

FCPF Standard comms
Auction mechanism
ERPA payment announcements
Video/photography mission – Costa Rica

COP28 - December

Spring 2024

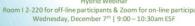
FCPF Standard comms
Auction mechanism
ERPA payment announcement(s)

Video/photography mission – TBD Indonesia/Lao/Nepal Country feature stories and video WB Spring Meetings - April

Knowledge Management



Hybrid Webinar





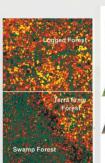
SOCIAL INCLUSION

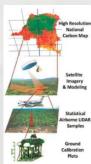
RSVP and Add to Calendar

Presenting Framework for the EnABLE Social Inclusion Strategy in REDD+

Questions about this event? Please contact the EnABLE Secretariat











PRIVATE SECTOR

SUSTAINABLE FINANCING







Concluding Messages (1)

NOTEWORTHY PROGRESS & RESULTS

- ERPA payments made to 6 countries: Mozambique, Costa Rica, Ghana (verified ERs) | Cote d'Ivoire, Indonesia, Lao PDR (advance only) = \$53.2 million
- ☐ 1st Reporting Period: 13 ER MRs submitted & 4 Validations & Verifications completed
- 2nd Reporting Period: 2 ER MRs submitted, 1 Validation & Verification completed
- ☐ Expected Payments (Verified ERs plus all advance payments): Over \$100 million by FY23 (Vietnam) and over \$200 expected by CY23 (Indonesia, Madagascar).
- ☐ Additional/Excess ERs: As of now estimated to be around 22 million ERCs.

Concluding Messages (2)

WHAT DOES THIS MEAN:

- **Payments will start flowing through the BSPs** and testing of the respective BSP program modality designs are currently ongoing. New insights will emerge from this;
- Moving into a unique space of commercialization of Excess ERs, with an upcoming Auction expected to help with the price discovery of this unique asset
- The Bank is trying to help countries get a high price for their excess ERs by:
 - CATS 2.0: Upgrades to create additional functionalities, including those required to meet
 CORSIA requirements
 - Verra Registry: Work to enable the use of the Verra registry for transactions of FCPFlabelled Excess ERs with third-parties
 - Auction mechanism: Engagement with auction provider to pilot auction of Mozambique's Excess ERs
 - Country workshops: in Mozambique, Lao, Vietnam and Indonesia to support hostcountry capacity to access to Climate and Carbon Finance and socialize with countries options to commercialize their Excess ERs

Concluding Messages (3)

UPCOMING CHALLENGES

- Despite the good progress, the focus needs to be on acceleration of performance over the next 2.5 years in light of 2025 Carbon Fund closing date.
- Full delivery of the contract ERs and BSPs by 2025 will be unlikely
- Supporting countries in optimizing the expected 22+ million excess ERs sales is going to be a delicate process
- ☐ Given the recent controversies around crediting standards, we need to continue to prioritize the high integrity of the FCPF credits and ensure targeted communication to this effect
- All eyes are on FCPF to help REDD+ countries, IPLCs, private sector, donors pave the way and facilitate jurisdictional ER development, and support development of a market. We therefore have to ensure the right communication strategies are in place to raise the profile and avoid any misunderstandings;

IN CONCLUSION

Its important to continue to join our efforts in this unique partnership, to ensure a successful delivery of this program and to start looking ahead including SCALE

