2016
ANNUAL REPORT

FOREST CARBON PARTNERSHIP FACILITY

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CONTENTS

THE FOREST CARBON PARTNERSHIP FACILITY

Demonstrating activities that reduce emissions from deforestation and forest degradation

Acronyms

BioCF	BioCarbon Fund
CF	Carbon Fund
CO_2	carbon dioxide
CO_2e	carbon dioxidecarbon dioxide equivalent
CONAFOR	National Forestry Commission (Mexico)
COP	Conference of the Parties (to the UNFCCC)
COP21	Paris Climate Change Conference
CRGE	Climate-Resilient Green Economy
CSO	civil society organization
DP	Delivery Partner
ENAREDD+	Mexico's national REDD+ strategy
ER	Emission Reductions
ER-PIN	Emission Reductions Program Idea Note
ERPA	Emission Reductions Payment Agreement
ERPD	Emission Reductions Program Document
ESMF	Environmental and Social Management Framework
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FMT	Facility Management Team
FONAFIFO	National Fund for Forest Financing (Costa Rica)
FRL	Forest Reference Levels
FY	Fiscal Year (World Bank fiscal year, July 1–June 30)
GCF	Green Climate Fund
GRM	grievance redress mechanism
IDB	Inter-American Development Bank
INDC	Intended Nationally Determined Contribution
IP	Indigenous Peoples
ISFL	Initiative for Sustainable Forest Landscapes
LOI	Letter of Intent
M&E	Monitoring and Evaluation
MF	Methodological Framework
MRV	Measurement, Reporting and Verification
MTR	Mid-Term Review
NDC	Nationally Determined Contributions
NGO	nongovernmental organization
PC	Participants Committee
PES	Payments for Ecosystems Services
PMF	Performance Measurement Framework
PROBOSQUE	Promote the Establishment, Recovery, Restoration, Management, Production, and Protection of Forests in Guatemala
R-Package	REDD+ Readiness Assessment Package
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	REDD plus conservation of forest carbon stocks, sustainable management of forests, and enhancement of forest carbon stocks
REL	reference emission level
R-PP	Readiness Preparation Proposal
SBSTA	Subsidiary Body for Scientific and Technological Advice (under UNFCCC)
SESA	Strategic Environmental and Social Assessment
SFM	Sustainable Forest Management
SIS	Safeguards Information System
SMART (indicators)	Specific, Measurable, Achievable, Relevant, and Time-bound (indicators)
TAP	Technical Advisory Panel
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

The FCPF is now ready to implement emission reductions programs and deliver results—for the climate, the forests, and most importantly, the people.

Foreword

The Paris Climate Agreement has provided enormous momentum to accelerate climate action and transform rural landscapes for the benefit of people, forests, and the global climate. More than 100 countries included forests and land use in their Nationally Determined Contributions (NDCs), which they committed to implement as part of a collective agreement to limit global warming to less than 2°C above pre-industrial levels, and make best efforts to limit warming to 1.5°C.

Action to reduce forest loss and improve forest restoration clearly plays an important role in achieving these targets.

Some countries have gone further, and specified the policies and measures they will apply in their NDCs to achieve emission reductions from forests and land use. About 13 countries specifically refer to national REDD+ strategies and readiness activities in their NDCs. Another five countries refer to large-scale REDD+ programs developed in the context of the Forest Carbon Partnership Facility (FCPF), a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation, activities commonly referred to as REDD+.

Conceived in 2008 as a piloting mechanism for a potential global carbon market, the FCPF surpassed the $1 billion mark in FY16, indicating strong confidence from financial contributors. The Facility is designed to provide early lessons for results-based finance through piloting a variety of approaches to transform rural livelihoods and landscapes.

This has been a monumental year for the FCPF as the first countries could build on the enabling environment for policy reform achieved in the readiness phase and move on to implementation of large-scale REDD+ programs. This tipping point was marked when two countries, Costa Rica and the Democratic Republic of Congo, formally entered into the results-based phase to soon begin transaction of emission reductions achieved from reduced deforestation and forest degradation.

The World Bank's corporate commitments provide strong support to deliver such development, forest, and climate dividends. Earlier this year, the Forest Action Plan and Climate Change Action Plan were launched. With the Forest Action Plan, the World Bank positioned itself as a partner of choice for rethinking forests within a broader landscape, minimizing trade-offs, and identifying opportunities for forests to contribute more fully to development across sectors such as agriculture, energy, and transport. With the Climate Change Action Plan, the World Bank Group aims to accelerate efforts to tackle climate change over the next five years and help developing countries deliver on the national climate plans they submitted for the Climate Change Conference in Paris in December last year.

Climate change is the defining challenge of our time, and forests and people are at the heart of our mission. With country capacity being built, REDD+ strategy options analyzed, defined, and consulted on with stakeholders in many countries, and with a REDD+ methodology in place, the FCPF is now ready to implement emission reductions programs and deliver results—for the climate, the forests, and most importantly, the people. Keeping global temperatures in check is a key to reducing poverty, because climate change and development are inextricably linked.

During the FCPF governance meetings and in the course of our day-to-day work I continue to be inspired by seeing so many stakeholders—many of us growing older together, but all of us with a growing mutual respect—sharing a similar vision for a greener planet. Governments, civil society, Indigenous Peoples, women, men, northerners, southerners—all working together—gives me the optimism that the global community will achieve long-lasting positive change across rural landscapes and along the forest frontier before it is too late.

Ellysar Baroudy
Coordinator, Forest Carbon Partnership Facility

The M&E Framework is designed to keep track of the Facility's performance in a way that helps ensure lessons can be learned and adaptive management is possible at the Facility level.

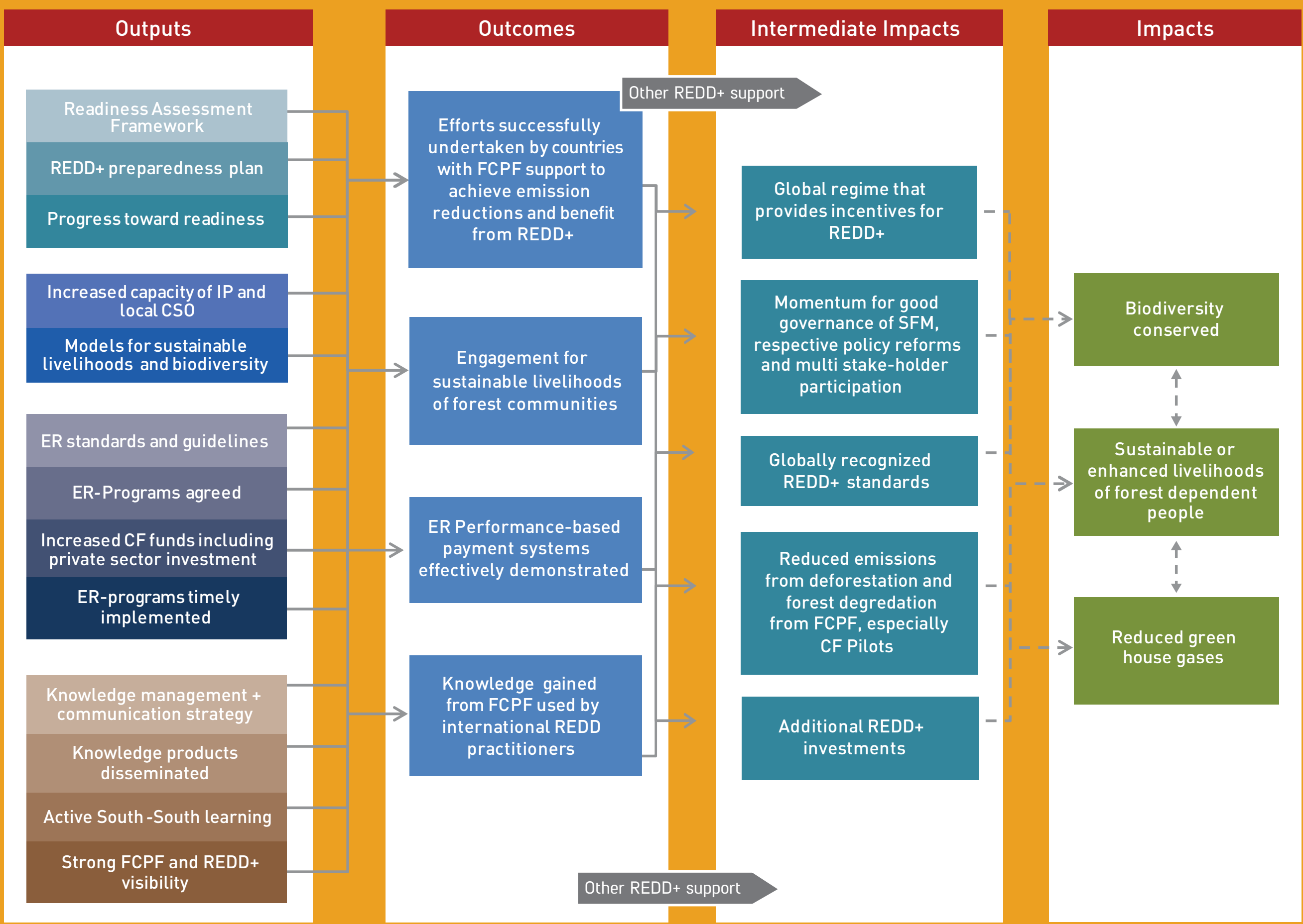
General Introduction

1

The 2016 Fiscal Year (FY16) report follows the structure of the Forest Carbon Partnership Facility (FCPF) program level Monitoring and Evaluation (M&E) Framework, adopted by the Participants Committee (PC) at its 14th meeting in March 2013. The M&E Framework is designed to keep track of the Facility's performance in a way that helps to ensure that lessons can be learned and adaptive management is possible at the Facility level.

In line with the M&E Framework's Performance Measurement Framework (PMF), this year's annual report provides information on the main achievements related to the intermediate impacts, outcomes (aligned with the four FCPF objectives), and outputs (short-term results), which together provide a strategic overview of the FCPF (see Figure 1). Specific, Measurable, Achievable, Relevant and Time-bound (SMART) indicators have been developed at the level of impact, outcome, and output to track the progress of the FCPF. The targets for each indicator have been designed in a way that ensures that results can be achieved within the lifespan of the Facility.

Figure 1: Result chain of FCPF interventions



$370m

The Readiness Fund became operational in 2008 and has a capital just under $370 million.

$750m

The Carbon Fund (CF)—became operational in 2011 and has a capital of $750 million.

Program Objectives

2

The Forest Carbon Partnership Facility 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+).

As stated in its charter, the FCPF pursues four strategic objectives:

- To assist eligible REDD+ countries in their efforts to achieve emission reductions from deforestation and/or forest degradation, by providing them with them with financial and technical assistance in capacity to benefit from possible future systems of positive incentives for REDD+
- To pilot a performance-based payments system for emission reductions generated from REDD+ activities, with a view to ensuing equitable sharing and promoting future large-scale positive incentives for REDD+
- Within the approach to REDD+, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity
- To disseminate broadly the knowledge gained in the development of the Facility and implementation of Readiness Plans and emission reductions programs.

The FCPF has two separate but complementary funding mechanisms—the Readiness Fund and the Carbon Fund—to achieve its strategic objectives. Together the two funds have raised more than $1.1 billion.

The Readiness Fund supports participating countries in the development of REDD+ strategies and policies, reference emission levels (RELs), measurement, reporting and verification (MRV) systems, and institutional capacity to manage REDD+, including environmental and social safeguards. The Readiness Fund became operational in 2008 and has a capital just under $370 million.

The Carbon Fund builds on the progress made in readiness and is designed to pilot performance-based payments for emission reductions from REDD+ programs in a few FCPF countries. The Carbon Fund became operational in 2011 and has $750 million in capital.

The FCPF comprises 47 developing countries (18 in Africa, 18 in Latin America and the Caribbean, and 11 in the Asia-Pacific region) and 17 financial contributors (comprising developed countries, one private sector participant, and one nongovernmental organization (NGO)). It has six categories of observers, including Indigenous Peoples and civil society organizations (CSOs). The core of the FCPF's inclusive governance structure is formed by the Participants Assembly and the Participants Committee.

The first two countries—Costa Rica and the Democratic Republic of Congo—advanced to present their ERPDs and were provisionally selected into the portfolio.

Executive Summary

3

In its eighth year in operation, the Forest Carbon Partnership Facility (FCPF) has received a substantial infusion of finance, increasing total committed funds to more than $1.1 billion, with $370 million committed to the Readiness Fund and $750 million to the Carbon Fund. This was a result of pledges made by Germany, Norway, and the United Kingdom at the Climate Change Conference in Paris in December 2015, to support about five new large-scale emission reductions programs under the FCPF Carbon Fund.

With increased funding pledged to the Carbon Fund, a record number of eight new Emission Reductions-Program Idea Notes were selected into the pipeline—Cameroon, Côte d'Ivoire, the Dominican Republic, Fiji, the Lao People's Democratic Republic, Madagascar, Mozambique, and Nicaragua. This almost doubled the overall pipeline to a total of 19 diverse and ambitious large-scale programs, each of which reflects the unique drivers of deforestation, institutional challenges, and socioeconomic circumstances of the subnational areas it is targeting.

In FY16, the first two countries—Costa Rica and the Democratic Republic of Congo—advanced to present their Emission Reductions Program Documents (ERPDs) and were provisionally selected into the portfolio. Before they can advance to Emission Reductions Payment Agreement (ERPA) negotiations, World Bank due diligence on aspects of the technical, institutional, financial, and social sustainability of the program design will need to be completed, and the countries will need to meet the conditions defined in their respective resolutions for portfolio selection.

It is expected that due diligence will place emphasis on a number of challenges that have been at the center of strategic discussions related to emission reductions program delivery, including (a) the lack of sufficient investment finance to secure program implementation; (b) insufficient cross-sector coordination at the country level to ensure forest-smart development progress in sectors with high impact on forested lands; and (c) significant needs for institutional strengthening for program implementation, in particular at the subnational level.

Within the World Bank, the Forest Action Plan and the Climate Change Action Plan provide a strategic vision to address these challenges as part of corporate commitments to deliver development, forest, and climate dividends. As part of the process, the World Bank has started to engage proactively with ministers of finance on shared objectives for forests and climate, to foster high-level leadership and buy-in to making forests an integral part of sustainable development.

Looking ahead to FY17, the first negotiations of large-scale carbon transactions for REDD+ are expected, including possible signature of the first ERPA. Accordingly, the Facility Management Team (FMT) will provide targeted capacity building for ERPA negotiations to countries. The FMT's focus will otherwise aim to support countries with ERPD development and putting in place the key components of readiness that could delay effective program implementation.

Based on the provisions of the Paris Climate Agreement, there are also new challenges for REDD+ countries, in particular related to accounting and reporting achieved emission reductions in the context of their nationally determined contributions, and engaging in carbon transactions and transferring mitigation outcomes to Carbon Fund Participants. The FMT will elaborate on the issues related to the transfer of emission reductions under the FCPF Carbon Fund and how these may affect countries' obligations under the Paris Agreement. In addition, the FMT is working on materials that will assist countries in considering what type of registry may be useful for them—a fundamental need to avoid any potential issues related to double counting.

Finally, with the second independent evaluation of the FCPF expected to be completed in early FY17, the stakeholders of the FCPF will consider recommendations made for further improvement and prioritization of the Facility, and consequently define follow-up actions that respond to the findings of the evaluation.

By end of FY16,

$236 million

in readiness grant funding allocated...

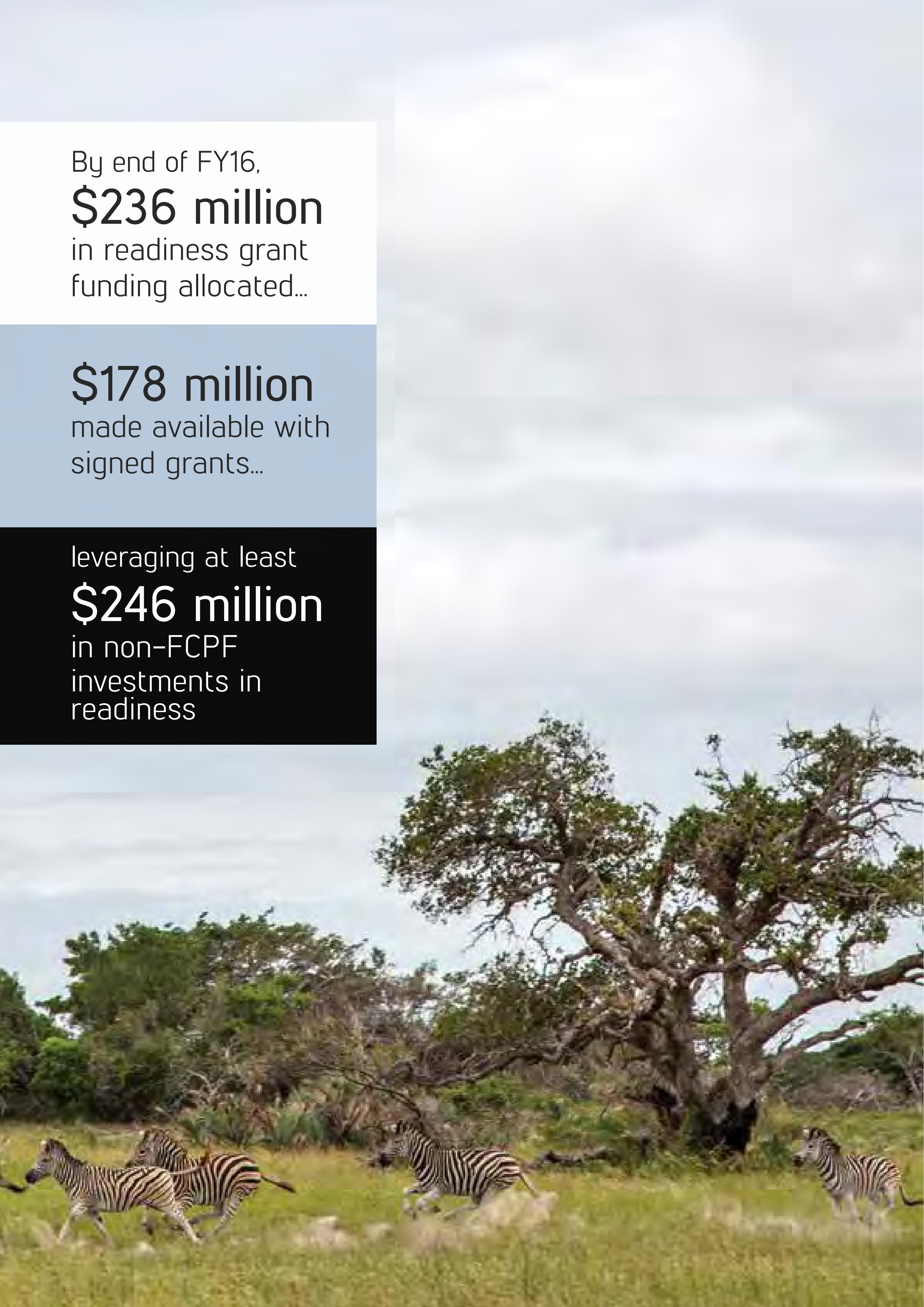
$178 million

made available with signed grants...

leveraging at least

$246 million

in non-FCPF investments in readiness



Main Achievements and Results During the Period

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4.1. HIGHLIGHTS

In FY16, the Forest Carbon Partnership Facility (FCPF) reached a new milestone when Costa Rica and the Democratic Republic of Congo became the first two countries to present full-fledged emission reductions programs to the Carbon Fund at its 14th meeting in June 2016. The countries demonstrated enormous momentum to deliver on their national climate change commitments under the Paris Agreement. Both countries have been champions of REDD+, and have pioneered many REDD+ milestones in previous years. They are now on track to be the first two countries to receive results-based payments from the FCPF for conserving tropical forest at scale.

The next steps for Costa Rica and the Democratic Republic of Congo are to complete World Bank due diligence and negotiate the terms of the carbon transactions. At the national level, the countries will continue their focus on implementation of ambitious policy reforms and delivery of any remaining gaps in REDD+ readiness implementation.

Other highlights include the increased funding to the Carbon Fund and the increased number of programs selected into the Carbon Fund pipeline (see Executive Summary). In addition, Costa Rica, the Democratic Republic of Congo, and Mexico were the first three countries to reach the REDD+ readiness assessment (R-Package) stage, demonstrating advanced maturity in the readiness process. Although the number of countries reaching the R-Package stage falls short of the targets set for the Facility, it does not necessarily indicate slow readiness progress across countries. A substantial number of REDD+ countries are already at advanced stages of REDD+ readiness, but prioritized effort and limited human resources on the development of Emission Reductions–Program Idea Notes (ER-PINs), because of the re-opening of the Carbon Fund pipeline in FY16. Consequently, a higher volume of R-Packages is now expected to be presented for endorsement by the Participants Committee in FY17 and early FY18.

Increasing maturity for REDD+ implementation is also reflected in the significant progress of at least 18 countries in devising new forest policies and strategies, reviewing and reforming existing forest and climate laws, or strengthening REDD+ implementation legislation and policies in FY16. For example, wide-sweeping and transformative policy reforms were carried out in Ethiopia, Mozambique, and Nepal, to name but a few. REDD+ readiness activities have provided an important impetus and enabling environment for strategic and cross-sector policy planning. The number and diversity of policy initiatives carried out in FY16 confirms the important catalytic role that the REDD+ readiness process plays in advancing the REDD+ policy context.

Progress on the submission of midterm progress reports also remained steady in FY16, as six additional countries (Chile, Ethiopia, Guatemala, Mozambique, Nepal, and Uganda) reached this milestone, demonstrating significant achievements in institutional, technical, and social REDD+ readiness aspects.

Four additional Readiness Preparation Grants were signed (the Dominican Republic, Panama, Thailand, and Uruguay) in FY16. There still remain a number of grants to be signed; over the next year, the FMT will look closely at the countries not advancing on signatures or grant preparations in view of the closing window of time.

39 countries

A total of 39 countries signed their Readiness Preparation Grants by the end of FY16.

By end-FY16, $236 million in Readiness Grant funding has been allocated, and $168 million has been made available with signed grants, leveraging at least $246 million in non-FCPF investments in readiness (this figure is based on country reporting and may not be exhaustive).

Grant disbursements from the Readiness Fund continued to accelerate, and amount to $90 million at the end of FY16 (compared with $61 million at the end of FY15), including transfers of $30 million to Delivery Partners other than the World Bank (compared with $27 million at the end of FY15).

The Common Approach was well under implementation in FY16, underscoring the FCPF's commitment to social inclusion. Delivery Partners other than the World Bank reported country-level progress in Cambodia, Guatemala, Guyana, Honduras, Panama, Papua New Guinea, and Peru.

Progress was also made on the second phase of the Indigenous Peoples and Civil Society Organizations Capacity Building Program. By the end of FY16, Grant Agreements for four of the six regional projects had been signed with intermediary recipient organizations from Africa and Latin America.

Over the past year emphasis was placed on supporting countries to advance through REDD+ readiness, and preparing emission reductions programs for countries selected into the Carbon Fund pipeline. A particular focus was on providing support on methodological aspects, including support in preparation of forest reference levels. To this end, a new online tool, the Decision Support Tool, was launched and a train-the-trainers workshop was held for countries in Asia. These efforts will be continued in FY17, including training for countries in other regions. Further, the FMT has placed special focus on analysis and planning for financing the implementation of emission reductions programs, and identifying potential sources of investment and other innovative finance to ensure the financial viability of the emission reductions programs.

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Large-Scale Programs in the Carbon Fund Pipeline

In FY16, the pipeline of the FCPF Carbon Fund grew significantly; the pipeline now includes innovative and ambitious large-scale REDD+ program proposals from 19 countries. The momentum seen in the development of program proposals provides evidence that countries have strong ownership to deliver on their national commitments to combat climate change as agreed under the Paris Agreement. The programs that are being developed with the FCPF Carbon Fund provide the opportunity for countries to transform their rural landscapes and make an important contribution to their sustainable, low-carbon development aspirations. The diversity of program proposals selected into the Carbon Fund pipeline reflects the unique challenges and circumstances that each of the countries faces in addressing the drivers of deforestation.

Cameroon

Cameroon's emission reductions program will focus on an area of 9.3 million hectares along the country's southern border, 71 percent of which is covered with dense tropical rainforest. The area forms a continuum with the emission reductions program area in the northern part of the Republic of Congo, enabling the two governments to control transboundary emission reductions leakage. Although deforestation was historically low, the target area is now under increasing threat from agricultural expansion, industrial and artisanal mining, infrastructure development, and illegal logging and timber exploitation, among other drivers of deforestation. With a total population of one million people, including Indigenous Peoples such as the Bakola and Bagyeliand Ba'ka, inhabiting the program areas, the program will bring together different actors to advance sustainable land use planning and zoning, and to address deforestation through intensified agriculture, agroforestry, and more sustainable cocoa production. The program will further emphasize sustainable forest management in timber concessions, and the introduction of reduced impact logging.

Costa Rica

Costa Rica is currently concluding its REDD+ readiness phase and designing an emission reductions program covering 341,000 hectares, which will be implemented nationally. The program includes a wide range of policies and measures to conserve and enhance carbon stocks, based on more than 20 years of experience with forest conservation and management. At the heart of the program is Costa Rica's successful Payment for Environmental Services Program and an extensive protected area system that gradually incorporates additional REDD+ activities. The program is developed with the active participation of relevant stakeholders. The program, along with the national REDD+ strategy, will promote the country's commitment to carbon neutrality and contribute to poverty reduction by expanding an inclusive forestry and agroforestry-based development model.

Chile

Chile's program to reduce emissions from degradation in temperate forests is a cornerstone for the country's national forestry strategy. The program, which spans 16.5 million hectares over Chile's Maule, Biobío, Araucanía, Los Ríos, and Los Lagos regions, will take action to address the three main drivers of deforestation and degradation: illegal logging, forest fires, and replacement of native forests by nonnative plantations. The Government of Chile is committed to the development of this large-scale program to reduce deforestation and forest degradation by improving forest management and focusing on cross-sector issues that impact areas with the most forest cover.

Côte d'Ivoire

Côte d'Ivoire's emission reductions program combines political commitment and private sector initiatives in one subnational geographical area that is a hot spot of cocoa production and a main area for the development of palm oil and rubber plantations. The program area, covering five of the county's southwest regions (Cavally, Nawa, San Pedro, Guemon, and Gboklè) over 4 million hectares, includes the country's last remaining large block of forest. The program aims to address the main drivers of deforestation, including extension of agricultural production areas, weak forest governance and illegal logging, logging for wood energy production, and illegal mining. The program will promote zero-deforestation agriculture in partnership with the private sector, agricultural intensification, and capacity building for forest monitoring, among other activities.

Democratic Republic of Congo

The Maï N'dombe emission reductions program aims at implementing the Democratic Republic of Congo's green development vision at the provincial scale by providing alternatives to deforestation and rewarding performance to address the challenges of climate change, poverty reduction, natural resource management, and protection of biodiversity. The program includes a balanced combination of enabling activities (strengthening governance, capacity building, local-level land use planning, securing and modernizing land tenure, and demography) and sector activities (reduced impact logging, agroforestry, and conservation concessions) across more than 12 million hectares in the country's Maï N'dombe province. The direct drivers of deforestation and forest degradation addressed by the program's intervention strategy include: slash-and-burn agriculture, fuelwood production, uncontrolled bush fires, small-scale or artisanal logging and industrial logging.

Dominican Republic

The emission reductions program of the Dominican Republic will be carried out at the national scale. In addition to reducing emissions in protected areas through reforestation in key watersheds, it will also contribute to the preservation of the country's flora and fauna, 38 percent of which is native to the Dominican Republic. To reach its goals, the program will establish a set of sustainable livelihood projects to engage rural communities. Special attention will be given to work in the landscapes bordering Haiti, where a binational program to promote reforestation and conservation activities is being implemented. Some of the drivers of deforestation and forest degradation to be addressed include slash-and-burn agriculture and extensive livestock farming, weak or inexistent forest governance, unsustainable extraction of timber and non-timber forest products, and forest fire control. Private sector participants and cooperative participants from the cocoa, coffee, and livestock sectors will play an integral part in the program.

Fiji

The emission reductions program proposed by Fiji will include the islands of Viti Levu, Vanua Levu, and Taveuni, spanning more than 1 million hectares of land, which is 94 percent of the forest cover in Fiji. This program takes an integrated approach to emission reductions and removal through afforestation/reforestation, forest rehabilitation, improved harvesting practices, national and subnational land use planning, and sustainable forest management. It will be implemented in a participatory manner where communities are at the center of program implementation. These program activities are built around addressing the drivers of deforestation and degradation (regular fires to maintain grasslands and open forests, slash-and-burn agriculture, and logging), and are in line with national climate change and disaster risk management policies and activities. The program emphasizes enhancing benefits that extend beyond carbon, such as improvements to the ecosystem, strengthened food security, land tenure, and conservation of social and cultural values.

Large-Scale Programs in the Carbon Fund Pipeline

Ghana

Ghana's Cocoa Forest REDD+ Program has a strong focus on greening the cocoa supply chain that is driving forest loss through agricultural expansion. Partnering with the private sector through the Cocoa Board, the government has proposed a community-based approach to double cocoa yields in at least 25 percent of the country. The program, targeting Brong-Ahafo and the Western Region of the country, seeks significant reduction in emissions, which are driven by the expansion of cocoa into forest areas, coupled with illegal logging. The program will cover almost 6 million hectares and focus on cocoa farming resources and land use interventions, while promoting other tree crops or agroforestry systems (oil palm, rubber, non-timber forest products, and plantations) on soils and land use types that are unsuitable for cocoa.

Indonesia

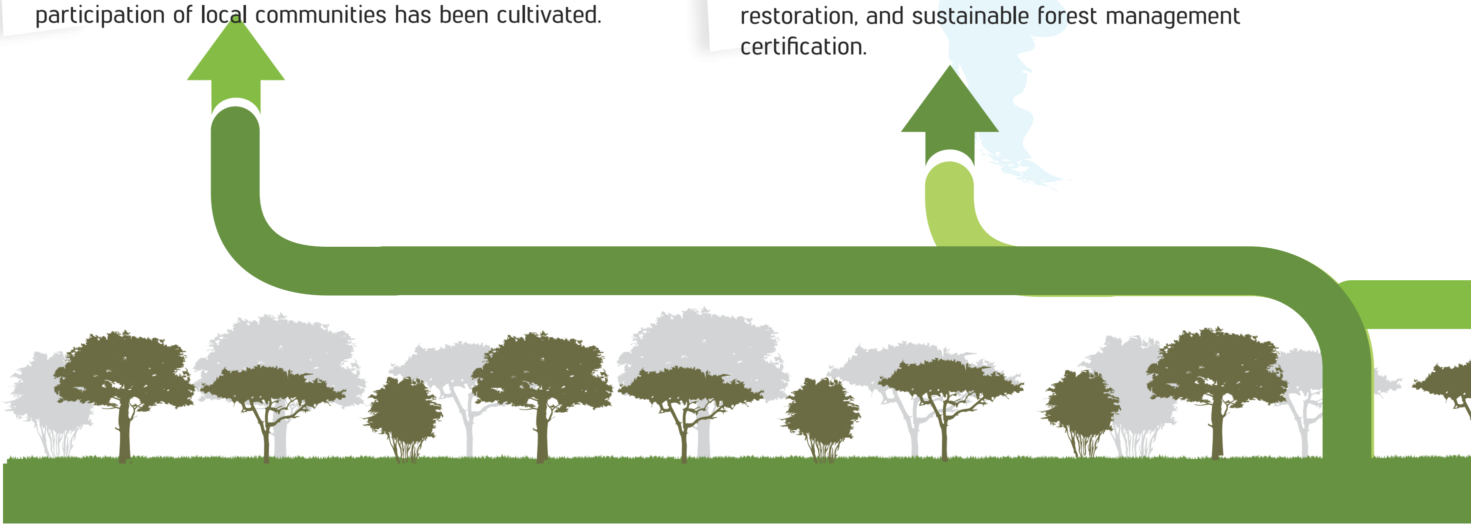
Indonesia's REDD+ program focuses on East Kalimantan, an area that contains almost 15 million hectares of forest, including 400,000 hectares of peatlands. The province is promoting its development objectives through a low-emissions development initiative, which is implemented through provincial strategies and action plans that build on the strong leadership in the region on climate change. The program is designed to address the overexploitation of forests for timber production, illegal logging, forest encroachment, forest fires, and the impacts of infrastructure development, through actions that include improvements in forest licensing and small-scale plantations, and the promotion of community-based planning. Key interventions also target actions on agricultural land to reduce the pressure on forests by minimizing the impacts of slash-and-burn agriculture, plantation development, and the expansion of mining.

Guatemala

Building on the existing legal and financial frameworks for forest governance, which were developed over the past 15 years, the emission reductions program in Guatemala will be a national-level initiative with program activities covering almost 11 million hectares. The main drivers of deforestation include land use change, agriculture expansion, forest fires, livestock, illegal logging, high opportunity cost, and lack of rural employment. The program will engage in six areas of REDD+ activity: incentives to increase carbon stocks, sustainable forest management, strengthened co-management of protected areas, agroforestry systems and forest plantations, governance and law enforcement on forest lands, as well as the development of a forest products value chain. In addition to benefitting from the strong political commitment of the Guatemalan government, a supportive institutional setting for linking these activities with key government institutions and the participation of local communities has been cultivated.

Lao People's Democratic Republic

Aiming at promoting REDD+ through governance, forest landscapes, and livelihoods, Lao PDR is launching an emission reductions program in a contiguous landscape covering six northern provinces: Luang Namtha, Bokeo, Sayabouri, Oudomxay, Luang Prabang, and Houaphan. The program area covers more than 8 million hectares across more than one-third of the country. Deforestation and degradation are directly driven through shifting cultivation, logging, agriculture, infrastructure, and mining; they are indirectly caused by weak governance, limited institutional capacity, poverty, food insecurity, and land tenure insecurity. These drivers and underlying causes will be addressed through activities at the provincial level, encompassing governance and law enforcement, forest landscape management and integrated spatial planning, livelihood development, payment for environmental services, forest restoration, and sustainable forest management certification.



Madagascar

Madagascar's emission reductions program is explicitly linked to its Integrated Agriculture Landscape program, with the aim to increase productivity in agriculture while improving soil, conserving water resources, and protecting vital forests and biodiversity. Madagascar's program in the Eastern Humid Forest Ecoregion covers almost 5 million hectares, including 14 key watersheds. Because of the integrated nature of the program's design, efforts to address the drivers of deforestation—which primarily consist of unsustainable agricultural expansion, heavy reliance on wood energy, and logging and mining—are linked directly with efforts to improve agricultural production, conserve soil and water, and reduce rural poverty. Specific activities include support for shifts to more sustainable and productive agricultural practices, linked with results-based payments for forest conservation.

Mozambique

The Zambezia Integrated Landscape Management Program is an ambitious, cross-cutting initiative on 4 million hectares to promote sustainable rural development in one of Mozambique's poorest provinces, and is the first of its kind in the country. The main drivers of deforestation in the program area are weak governance and weak law enforcement, subsistence farming, agricultural expansion, removal of wood for domestic uses, and illegal logging. The program focuses on forest conservation and management, conservation agriculture, biomass energy management, and land use planning. These activities will be implemented through a cooperative approach, combining policies, programs, and actions across different levels and sectors of the government, and involving multiple stakeholders (government, farmers, communities, private sector, and NGOs) to maximize access to funds and institutional capacity.

Mexico

Mexico's program for a Community-Based Landscape Approach to Reduce Greenhouse Gas Emissions aims at transforming the management of forests across the landscape through policy instruments, institutional reforms, and capacity-building programs. Spanning 29 million hectares across five regions (Campeche, Chiapas, Jalisco, Quintana Roo, and Yucatán), Mexico's program will support rural communities in the development of low-carbon investment plans that aim to reduce carbon emissions from deforestation and forest degradation. The program will scale up the lessons learned from previous experience and engage government and local stakeholders alike to address the main drivers of deforestation, including lack of public sector coordination, illegal activities, unsustainable forestry farming practices, land use change, and the high opportunity cost of sustainable land use choices.

Nepal

Building on three decades of successful community forestry programs, Nepal is developing an emission reductions program in 12 districts of its Terai Arc Landscape to transform more than 2 million hectares of landscape and reach a population of 7 million people, 80 percent of which are forest dependent. The main drivers of deforestation include unsustainable and illegal wood harvesting, overgrazing, forest fires, and land conversion (encroachment and resettlement). To address these drivers, Nepal plans to transfer government managed forests to participatory management models, implement sustainable management of forest and carbon enhancement practices, expand alternative energy initiatives, integrate land use planning, engage the private sector, and enhance alternative livelihood opportunities focused on agriculture.

Large-Scale Programs in the Carbon Fund Pipeline

Nicaragua

Nicaragua is developing a 20-year REDD+ program in the Caribbean Coast Region and the two adjacent reserves, Bosawás and Indio Maíz. The program aims to reduce the deforestation rate by half through avoided deforestation and forest degradation, and carbon stock enhancement. Examples of these activities are forest protection, sustainable forest management, reforestation, and restoration, as well as activities that reduce pressure on native forests, such as agroforestry, silvopastoral systems, and farm intensification. Complementary measures to strengthen forest governance, support sustainable value chains, and strengthen institutional capacity will also be undertaken.

Peru

Peru's large emission reductions program, which spans more than 15 million hectares, targets the Amazon regions of San Martin and Ucayali. These regions encompass the main drivers of deforestation in the Peruvian Amazon: shifting agriculture, medium- to large-scale agro-industrial production, and selective logging. The Ministries of the Environment and Agriculture, Livestock, and Irrigation; regional governments; and indigenous and private sector organizations will collaborate on an integrated landscape approach aimed at improving the enabling conditions related to land use, and increasing agricultural and forestry productivity and competitiveness through increased institutional, organizational, and productive capacities and access to markets.

Republic of Congo

The emission reductions program in Northern Congo, proposed by the Republic of Congo, is a collaborative public-private partnership with CIB-Olam, a leading agribusiness in cocoa. Program activity over 12 million hectares is built around addressing the drivers of deforestation and degradation (industrial logging, agro-industrial production, slash-and-burn agriculture, and illegal logging). The proposed emission reductions activities include reduced impact logging, set-aside areas for forests with high conservation value in oil palm and mining concessions, production of cocoa by smallholders through agroforestry systems, smallholder outgrower schemes, conservation agriculture, crop diversification, and improved management of protected areas. These interventions have substantial non-carbon benefits that support the national vision for a green economy, building on sustainable management of natural ecosystems, participatory management, and poverty reduction.

Vietnam

Vietnam's emission reductions program encompasses the entirety of the country's North-Central Agro-Ecological Region, totaling more than 5 million hectares across six provinces in the Northern Annamite Mountains. The program aims to make substantial achievements in sustainable forest agriculture through interventions in the forestry, energy, and agriculture sectors, to promote sustainable land use and reduce pressure to cut down the forest. Working across key sectors to address the drivers of deforestation and forest degradation (agriculture, infrastructure, shifting cultivation, unsustainable forest harvesting, and illegal logging), the program can serve as a paragon of green growth for Vietnam and the wider Association of Southeast Asian Nations region.

4.2. PROGRESS AT THE IMPACT LEVEL

In this section, progress is reported based on indicators at the impact, outcomes, and output levels in line with the Performance Measurement Framework (PMF) as per the FCPF's Monitoring and Evaluation (M&E) Framework, which was adopted in March 2013. Several indicators, including those related to implementation of the emission reductions program under the Carbon Fund, are not yet applicable. Accordingly, they are not referred to in the narrative. Section 8 (Results Measurement Reporting Framework) provides a tabular aggregation of targets and outputs.

Impact-Level Results 1.1: The FCPF has contributed to the design of a global regime under or outside UNFCCC that provides incentives for REDD+

Impact-level indicator 1.1.B: Examples of how FCPF learning and experience has fed into UNFCCC REDD+ decisions

In the run-up to the 2015 Paris Climate Change Conference (COP21) in December 2015, the FCPF Facility Management Team (FMT) contributed actively to the development of the forest action area of the Lima-Paris Action Agenda, which brought together public and nonpublic actors to accelerate cooperative climate action. Several FCPF REDD+ Country Participants committed to providing strong, collective, and urgent action to promote equitable rural development while tackling deforestation and increasing forest restoration, alongside commitments from private sector actors, Indigenous Peoples, and civil society. The FCPF also participated in and helped organize several panels during COP21 that highlighted specific country initiatives and were further aimed at sharing the FCPF's experience with jurisdictional REDD+ approaches and fostering public-private partnerships.

In May 2016, the FMT participated as a panelist and discussant in the annual Voluntary Meeting of National REDD+ Focal Points, which took place in Bonn alongside the United Nations Framework Convention on Climate Change (UNFCCC) Climate Change Conference. The meeting brought together REDD+ financing entities, including multilaterals (such as the World Bank Group and the Green Climate Fund (GCF)), several bilateral donor countries (predominately Germany, Norway, and the United Kingdom), several REDD+ countries (including Brazil, Ghana, Indonesia, and Peru, among others), and regional initiatives (such as the Central African Forest Initiative) to discuss access to REDD+ finance and coordination of REDD+ implementation support. The FCPF's intervention focused on sharing experiences and lessons related to developing REDD+ programs, coordinating REDD+ implementation support at the global and national levels, facilitating engagement of the private sector, leveraging finance, and accelerating disbursements.

Another side-event held alongside the UNFCCC Climate Change Conference in May 2016 was the Standing Committee on Finance, at which the FMT also participated as a panelist and discussant with other forest finance providers on coherence and coordination for forest finance.

Building on coordination from previous years, the FCPF has continued to foster active exchange with the GCF. As the GCF is developing its modalities to operationalize results-based payments for REDD+, the FCPF has been actively sharing its own learning and experience as the GCF adopted a performance measurement framework for REDD+ that will be informed by the FCPF Methodological Framework. To this end, the GCF has participated in FCPF Participants Committee and FCPF Carbon Fund meetings to foster cross-learning and collaboration.

Impact-Level Results 1.2: Reduced emissions from deforestation and forest degradation from FCPF, especially Carbon Fund portfolio countries

This impact-level result is not yet applicable.

Impact-Level Results 1.3: FCPF has catalyzed the creation of recognized standards for REDD+

Over the years, the FCPF has established several recognized standards for REDD+, including the Readiness Assessment Framework, Methodological Framework for the Carbon Fund, and General Conditions for Emission Reductions Payment Agreements (ERPAs).

The Readiness Assessment Framework guides REDD+ countries on how to measure and communicate their relative progress on REDD+ readiness, and builds on the foundation and multi-stakeholder platforms created during the readiness preparation phase. It supports countries to make the transition from readiness to results-based payments. The Methodological Framework for the Carbon Fund provides a global standard for REDD+ transactions at scale, and guides the piloting of results-based carbon finance transactions through the FCPF Carbon Fund. The general conditions provide the technical and legal underpinnings of large-scale carbon transactions that will result from future ERPAs entered into between Carbon Fund Participants and forest countries.

Impact-level indicator 1.3.A: Examples of nonparticipant countries that have adopted FCPF standards in their own REDD+ process

In FY16, **Zambia,** a nonparticipant country, adopted FCPF standards in its own REDD+ process by carrying out a Strategic Environmental and Social Assessment (SESA) as part of preparation of a large-scale emission reductions program targeting Zambia's Luangwa Valley. The SESA was seen as the best instrument for engaging key stakeholder groups in a structured consideration of strategy options for the program, including in relation to previously defined social and environmental priorities; and for generating recommendations to address legal, regulatory, policy, institutional, and capacity gaps for managing those social and environmental priorities.

Impact-level indicator 1.3.B: Successful implementation of the Common Approach

In FY16, progress in implementation of the Common Approach in countries, with the Inter-American Development Bank (IDB) and the United Nations Development Programme (UNDP) as Delivery

Partners, increasingly focused on actions at the country level. Social development and environment specialists, working with the two Delivery Partners, took on full responsibility for overseeing the implementation of the Common Approach, and the respective FMT colleagues provided back-stopping support, including through regular coordination meetings.

The following country-level progress has been highlighted in the implementation progress reports submitted by IDB and UNDP:

- In **Guatemala**, the national REDD+ strategy was elaborated in a series of workshops with the participation of multiple stakeholders. As part of the process, workshop participants discussed the interpretation of the Cancun Safeguards as part of the national safeguards approach, the roadmap for inclusion of gender considerations in national REDD+ processes, as well as a proposal for a national benefit-sharing mechanism. The Government of Guatemala, with support from the IDB, prepared the terms of reference for a national grievance redress mechanism, SESA, and Environmental and Social Management Framework (ESMF).
- In **Peru**, a stakeholder participation and involvement plan was developed in 2015. Guidance from the FCPF and the UN-REDD Programme, together with the requirements of the Common Approach, served as reference for development of the plan. Further, a number of national and regional roundtables were carried out to feed into the development of the National Forest and Climate Change Strategy. The government has also called for expressions of interest to develop the SESA, ESMF, and Safeguards Information System (SIS).
- In **Guyana**, the joint FCPF and UN-REDD guidelines on "Establishing and Strengthening Grievance Redress Mechanisms," which were published in June 2015, were used to inform the development of the terms of reference for the country's grievance redress mechanism.
- In **Cambodia**, the draft national REDD+ strategy was finalized and analytical work was undertaken for development of the SIS. To strengthen awareness on REDD+ concepts and the draft national REDD+ strategy, and to broaden the engagement of Indigenous Peoples and local communities involved in forest, protected area, and fisheries management, five stakeholder events were conducted at the national and subnational levels. Discussions with stakeholders indicated agreement on the possibility of utilizing the existing national dispute resolution mechanisms for the purpose of REDD+ grievances. More specifically, there is convergence of safeguards and grievance redress mechanisms in the emerging Environmental Code, which is now in its third draft.
- In **Papua New Guinea**, a social and environmental screening was undertaken by UNDP as part of the inception process, and a medium risk rating was assigned. Actions identified as part of the assessment have been undertaken, including the preparation of a capacity development plan for key stakeholders, and the development of a national REDD+ safeguards framework.
- In **Honduras**, a REDD+ stakeholder mapping was carried out as part of the SESA process. Further, a roadmap for the development of the SIS was developed, and a preliminary analysis of the country's institutional and legal framework and its relation to REDD+ safeguards was completed. A preliminary evaluation of an existing grievance mechanism set up in the Human Rights Commission was carried out to analyze whether the REDD+ grievance mechanisms can use the same platform. Participants for a Safeguards Committee were identified, and the committee was subsequently formed.
- In **Panama**, a social and environmental screening was carried out by UNDP, and the findings were incorporated into planned readiness activities to ensure that social and environmental standards are applied throughout the readiness phase. Active monitoring of the application of the standards was initiated via the project's M&E framework.

Impact-Level Results 1.4: FCPF has catalyzed investment in REDD+ (Carbon Fund and grants)

Impact-level indicator 1.4.A: Amount of non-FCPF investments under Readiness Preparation Proposal process in Participant countries and for implementation of emission reductions programs (Forest Investment Program, bilateral donors, private sector)

Countries continue to leverage substantial additional finance to cover the cost of REDD+ readiness, which typically exceed grant funding available from the FCPF Readiness Fund. As countries demonstrate initial results in readiness implementation, strong government ownership in REDD+ objectives, and participatory and inclusive stakeholder engagement, they gain donor confidence and attract additional investments from mainly bilateral and multilateral sources. Reported non-FCPF investments received under the Readiness Preparation Proposal (R-PP) process are captured in table 1; the investments have grown significantly compared to last year's figures. The figures in table 1 are based on progress reporting by countries and may not be exhaustive. The 25 countries that reported on non-FCPF investments for readiness together leveraged cumulative finance of $246 million, which represents a 1:1.8 ratio compared with the total volume of FCPF readiness grants ($140 million) made available to these countries. It should be noted that increased cumulative non-FCPF investments in FY16 are not only due to increased leveraging, but also due to improved reporting by countries compared to FY15.

With 19 countries selected into the FCPF's Carbon Fund pipeline, the focus has been shifting from conceptualization of program ideas to the conditions for successful implementation and delivery of future emission reductions programs. As emission reductions payments from the Carbon Fund are downstream payments that countries only receive upon successful delivery and verification of emission reductions against set reference levels, the financial viability of program implementation becomes a central criterion for the overall feasibility and success of a program. As such, countries are increasingly focusing on securing robust upfront investment finance to cover the substantial program implementation cost. With program activities typically covering multiple sectors that impact forests, such as agriculture, infrastructure, mining, and others, sources of upfront investment finance tend to be equally diverse.

Table 2 provides examples of non-FCPF investments received for implementation of proposed emission reductions programs. The 13 countries that reported on non-FCPF investments received for implementation of emission reductions programs together leveraged cumulative investment finance of $694 million, or an average of $53 million per country. The figures in table 2 are not exhaustive and only capture reported funding.

Combined upfront investment finance typically exceeds the scale of downstream climate finance that countries foresee. Countries are therefore also looking into financing options that go beyond traditional bilateral, multilateral and public investment finance, and are exploring private sector investments, as well as innovative financing options such as bonds, guarantees, advances, and others.

Table 1: Amount of non-FCPF investments received under the R-PP process for REDD+ (in $)*

REDD+ Country	Source	Amount Provided
Bhutan	UN-REDD Programme	$345,000
Burkina Faso	FIP	$30,000,000
	FIP DGM	$4,500,000
Cambodia	Government of Japan (JICA)	$863,160
	UN-REDD Programme	$4,001,050
	UN-REDD Programme–FAO	$1,176,361
	UN-REDD Programme–Target Support	$200,000
	UN-REDD Programme–UNDP-TRAC	$1,564,976
	UN-REDD Programme–UNEP	$64,200
Cameroon	Government of Cameroon (MINEPDED)	$169,348
Chile	BARRICK	$140,000
	Chile-Mexico Fund	$134,553
	Empresa Minera Barrick Zaldivar	$137,500
	GEF	$5,863,636
	Government of Switzerland (NAMA Forest)	$1,800,000
	IADB	$180,000
	UN-REDD	$560,000
Colombia	BioREDD	$518,000
	BioREDD	$14,070,000
	GEF (Corazon Amazonia)	$2,180,000
	Government of Colombia	$3,444,000
	Government of Germany (BMU)/ Winrock/Climate Focus	$1,844,000
	Government of Germany (GIZ)	$4,402,000
	Government of the United Kingdom	$326,000
	Government of the United States (USAID/FCMC)	$149,000
	Moore Foundation	$2,480,000
	Others	$6,131,000
Colombia	UN-REDD Programme	$4,000,000
Costa Rica	Government of Costa Rica	$200,000
	Government of Germany (GIZ)	$1,600,000
	Government of Norway (NORAD)	$114,000
	Government of the United States (USAID)	$500,000
	UN-REDD Programme	$760,000
Côte d'Ivoire	EU	$437,000
	Government of Côte d'Ivoire	$280,000
	IRD	$250,000
	UN-REDD Programme	$3,210,000
Democratic Republic of Congo	FAO	$2,926,450
	UNDP	$3,110,690
	UNEP	$1,346,060
Dominican Republic	Government of Germany (GIZ)	$845,000
	Government of the Dominican Republic	$432,000
Ethiopia	Government of Norway (for national readiness performance)	$10,000,000
	Government of Norway (for Oromia REDD+ readiness program)	$3,000,000
	Government of the United Kingdom (DFID)	$5,000,000
Fiji	Fiji Ministry for Fisheries and Forests (MFF)	$42,563
	Government of Germany (GIZ)	$13,572
Ghana	Gordon and Betty Moore Foundation	$170,063
	Government of Switzerland—Swiss State Secretariat of Economic Affairs (SECO)	$400,000
Guatemala	Government of the United States (USAID)	$2,195,000
	Government of the United States (USAID/CNCG)	$445,852
	Government of the United States (USAID/PRCC)	$50,000
	IADB	$100,000
	IUCN	$235,564
	UNDP	$40,221
Guyana	Government of Germany (KfW)	$627,000
	Government of Norway	$3,110,690
	Guiana Shield Facility	$490,000
	Guyana REDD+ Investment Fund	$1,708,000
Lao PDR	Government of Germany (CliPAD Project through GIZ and KfW)	$15,554,700
	Japanese Government (FIM Project, PAREDD Project, NFIS)	$9,000,000
Madagascar	FA/PE3/GVT	$1,349,167
	Government of Germany (GIZ)	$12,000
	UN-REDD Programme	$202,000
Mozambique	UN-REDD Programme	$4,000,000

Nepal	Government of Finland	$360,000
	Government of the United Kingdom (DFID/SDC)	$491,000
	Government of the United States (USAID)	$965,000
	UN-REDD Programme	$850,000
Nicaragua	FAO	$5,000
	Government of Germany (GIZ)	$100,000
Peru	Gordon and Betty Moore Foundation	$2,010,000
	Government of Germany (KfW)	$3,980,000
	UN-REDD	$960,000
Republic of Congo	COMIFAC (Regional REDD+ Project and Regional Project MRV)	$200,000
	Government of Republic of Congo	$600,000
	UN-REDD Programme	$4,000,000
	Government of Germany (GIZ/ProREDD)	$3,633,000
Suriname	UN-REDD	$52,000
Tanzania	Government of Norway (Civil Society Organization program)	$17,000,000
Togo	CIF/FIP (in preparation)	$250,000
	Government of Austria	$830,286
	Government of Germany (GIZ/ProREDD)	$1,367,000
	GEF/West African Economic and Monetary Union/UNDP/Ministry of Environment and Forest Resources	$93,358
	World Bank/Project Management Integrated Disaster and Land	$1,561
	World Bank/PGICT	$1,289,000
Uganda	Australian Development Cooperation	$890,797
	Government of Uganda	$1,086,000
	UN-REDD Programme (in preparation)	$1,983,760
Vietnam	AUSAID	$80,000
	BMUB	$9,020,000
	BMZ	$1,480,000
	Danida	$350,000
	DEFRA	$360,000
	FORMIN	$670,000
	JICA	$10,520,000
	NORAD	$3,490,000
	SDC	$150,000
	USAID	$11,970,000
TOTAL		**$246,089,138**

*It should be noted that figures are based on country reporting and may not be exhaustive.

Table 2: Amount of non-FCPF investments received for implementation of ER programs (such as the FIP, bilateral donors, and the private sector), if relevant ($)*

REDD+ Country	Source	Amount Provided
Côte d'Ivoire	FIP	$20,000,000
Democratic Republic of Congo	COMIFAC	$305,000
	Congo Basin Forest Fund (CBFF)	$25,000,000
	FIP	$60,000,000
	FIP DGM	$6,000,000
	Government of Norway	$2,500,000
	International Tropical Timber Organization	$600,000
	UNEP	$40,000
Dominican Republic	Government of the United States (USAID)	$9,965
	UN-REDD Programme	$85,000
Ghana	FIP	$55,330,000
	Gordon and Betty Moore Foundation for biomass map	$126,063
	Government of Germany (GIZ) Forest Monitoring based on German Remote Sensing Technology	$555,525
	IUCN Global Gender Office	$15,000
	Japanese Funded Forest Preservation Programme	$7,800,000
	UN-REDD Programme	$40,000
Guatemala	FIP	$28,000,000
	IADB	$500,000
Indonesia	FIP	$105,000,000
	FIP DGM	$6,500,000
	Government of Germany (GIZ)	$22,348,000
	Government of Germany (KfW)	$29,371,000
Lao PDR	FIP	$30,000,000
	FIP (sub-projects)	$61,900,000
	FIP DGM	$4,500,000
	Government of Germany (GIZ)	$5,683,000
	Government of Germany (KfW)	$12,770,000
Madagascar	Government of France (AFD)	$300,000
Mexico	FIP	$60,000,000
	FIP DGM	$6,000,000
	Government of France (AFD)	$2,418,000
	Government of Norway	$15,356,000
	International Bank for Reconstruction and Development (IBRD)	$25,660,000
	UN-REDD Programme	$650,000
Mozambique	FIP	$24,000,000
	GEF	$300,000
	Government of Japan (JICA)	$6,880,000
Nicaragua	FIP	$50,000,000
	GEF	$1,494,320
Peru	FIP DGM	$5,500,000
	GEF	$6,000,000
	IADB to FIP	$450,000
Republic of Congo	Government of Germany (GIZ/ProREDD)	$3,633,000
TOTAL		**$693,619,813**

*It should be noted that figures are based on country reporting and may not be exhaustive.

Impact-Level Result I.5: The FCPF has generated momentum to address governance and transparency issues and policy reforms related to sustainable forest resource management and REDD+

Impact-level indicator I.5.B: Number of policy reforms initiated, completed or underway complying with REDD+ standards in participants' countries, potentially including issues of land tenure

Policy reform must be considered as part of larger, dynamic national processes, to which FCPF Readiness Grants can make important contributions, but which are entirely driven by autonomous national governments. In many countries, FCPF REDD+ readiness funding is essential to promote capacity building, analytical work, social inclusion processes, and highly technical work related to forest carbon assessments and monitoring. Although these activities support and feed policy reform processes in support of REDD+, initiation and completion of policy reform require collective action across sectors and leadership at the national and subnational levels that goes beyond the leverage of FCPF Readiness Grant funding. As such, the following examples provide a snapshot of important progress made in FY16 on policy reform that guides and informs REDD+, but that must be viewed in the context of broader national processes.

During the reporting period, several countries made significant progress on devising new forest policies and strategies, reviewing and reforming existing forest and climate laws, and strengthening or formalizing their REDD+ implementation legislation and policies.

In **Argentina**, the National Plan for Integrated Forest and Livestock Management was ratified by the new government. The plan aims to ensure that the use of native forests by livestock conforms to ecological, social, and economic sustainability criteria, in accordance with the National Forest Law. An intersectoral agreement signed in 2015 by the former Ministry of Agriculture, Livestock, and Fisheries and the Secretary of Environment and Sustainable Development further aims to promote sustainable silvopastoral management as an alternative to land use conversion. These initiatives are part of an integral approach by the state to agricultural and forestry development, and form the basis for further cooperation across the two sectors to reduce forest conversion, which is caused primarily by the expansion of soybean cultivation.

In **Cambodia**, a process to rationalize and harmonize the existing architecture of laws and regulations has been initiated with the aim to create a new Environmental Code that builds on international best practices and adapts these to the context of Cambodia. The government has also embarked on a significant change of jurisdiction related to the institutions responsible for forest land. In March 2016, the government announced the consolidation of conservation areas under the Ministry of Environment and the unified management of economic land concessions (ELCs) under the Ministry of Agriculture, Forestry, and Fisheries. By April 2016, rapid implementation of this policy

measure led to the transfer of 1.6 million hectares of protected forests from the Forestry Administration to the Ministry of Environment, and the transfer of approximately 450,000 hectares of land under ELCs from the Ministry of Environment to the Ministry of Agriculture, Forestry, and Fisheries. In addition, a National Protected Areas Strategic Management Plan has been prepared, and an action plan is under development that will provide impetus to mobilizing financial resources and strengthening implementation.

In **Chile**, several pieces of legislation are being developed to support a consistent cross-sector policy approach and positive incentives to reduce emissions from deforestation and forest degradation, and promote the enhancement of forest reserves, as well as the conservation and sustainable management of forests. The National Climate Change Action Plan 2017–22 (NCCAP-II) is currently undergoing public consultation. Building on its predecessor, the 2008–12 NCCAP, the NCCAP-II focuses on implementation of Chile's Intended Nationally Determined Contribution (INDC) to the UNFCCC, which provides a policy tool to bundle sector actions under a single and coherent framework. The agroforestry sector is one of the priority areas for the climate change mitigation and adaption actions identified in the plan. A new Forestry Policy 2015–35 was also prepared and is currently under consultation.

In **Colombia**, several policy reforms are underway. The government is currently restructuring the institutional framework for land administration, to facilitate the rollout and implementation of land use plans as well as a rural multipurpose cadaster system. A next step will be the review and determination of the roles and responsibilities of various national and subnational entities involved in the land administration and cadaster processes. The aim of the initiative is to improve further the quality and usefulness of cadastral information for land tenure regularization.

In **Côte d'Ivoire,** a Forest Law Enforcement, Governance and Trade-Voluntary Partnership Agreement is being negotiated with the European Union. A bilateral trade agreement between the European Union and Côte d'Ivoire, the process seeks to improve the application of forest legislation and governance on timber trade, thus having an impact on the entire production chain (timber manufacturers, loggers, and fuelwood producers) and, ideally, culminating in the certification of Ivoirian timber and timber products imported into the European Union. The final signing of the voluntary partnership agreement is expected in 2017.

In **El Salvador**, the reform process of the Forestry Law, which originally dated back to 1973, was advanced in 2015 and based on broad consultations. With close involvement of the Ministry of Agriculture and the Ministry of Environment and Natural Resources in the reform process, the proposal for the new Forestry Law is now before the Technical Secretariat of the Presidency, to be sent for approval to the Legislative Assembly.

The reform of the Forestry Law provides a clearer definition of forest for El Salvador. The reform further improves the regulation of land use and includes the practice of silviculture to ensure responsible forest management. The new Forest

Law is designed to increase the restoration of vast territories and reforestation of protected areas, and further strengthens forest governance. To foster increasing forest cover, including through the establishment of secondary natural forests, as well as better forest management, economic incentive systems that recognize ecosystem services are envisaged. All these elements will contribute to El Salvador's mitigation-based adaptation approach to REDD+, which is also emphasized in the national climate change plan, which was approved by the ministerial steering committee in late 2015. On the institutional side, the revised Forestry Law provides for the creation of a Forestry Commission to support the implementation of the activities as per the Forestry Law.

In **Ethiopia**, a comprehensive review of existing forest sector policies and strategies, conducted with the direct involvement of the national REDD+ Secretariat, was finalized. The results informed a Forest Proclamation which now sits in front of Parliament and is expected to become law during its upcoming session. A Forest Regulation and a Forest Sector and Policy document have also been finalized; in addition, the National Draft Forest Definition has been generated, discussed by the REDD+ Technical Working Group, and will be formally approved by the Minister of Environment and Forests.

In **Ghana,** the Forest and Wildlife Bill is currently under debate by the parliament, with various actors from the environment community lobbying on issues related to tree tenure and benefit sharing. The bill will have important implications for the effectiveness of natural resource management arrangements, including in Community Resource Management Areas, and will impact the maintenance of national forest reserves, including addressing issues related to illegal logging and annual bushfires.

In **Guatemala**, after four years of negotiations, the Congress passed the Law to Promote the Establishment, Recovery, Restoration, Management, Production, and Protection of Forests in Guatemala (PROBOSQUE). The PROBOSQUE Law is valid for 30 years (2016–46) and based on the experiences of previous laws. It is a qualitative step forward and includes new modalities for sustainable development (agroforestry systems, plantations for energy and industrial purposes, natural forests for protection of aquifer replenishment, and restoration of landscapes), and makes the forest incentive programs of the government available to other types of beneficiaries with alternate forms of land ownership (renters and communal lands). Under the PROBOSQUE Law, and depending on the available public resources, the state is obligated to allocate annually 1 percent of ordinary revenue to achieve the law's goals. The implementation of PROBOSQUE is expected to have a direct impact on the establishment of plantations, agroforestry systems, recovery of lands, and management of natural forest on 1.3 million hectares of land. It is expected to generate 20,000 direct jobs and 60,000 indirect jobs per year, benefiting a total of 1.5 million families, including an estimated 30 percent women. These actions represent public investment of about $1.2 billion over 30 years.

In **Honduras**, the Ministry of Environment developed a proposal for a new Agroforestry Policy with a Sustainable Landscapes Approach. Initial consultations have concluded and the proposal is currently being discussed by the executive branch. In addition, a draft Free Prior and Informed Consent Law is undergoing consultation. The draft law is the culmination of a joint effort between 21 organizations, including the government, Indigenous Peoples, Afro-Honduran representatives, and other key partners.

In **Indonesia**, the government created the Peatland Restoration Agency with a broad and strong mandate to address the degradation of carbon-rich peatlands, which have been a major source of emissions and haze affecting the broader region due to peat forest fires. Until 2020, the agency has a focus on seven provinces in Sumatra, Kalimantan, and Papua islands. Following the 2014 presidential elections and the dismantling of the former REDD Agency, the government consolidated REDD+ responsibilities in a new Ministry for Environment and Forests over the past year. In this new structure and under the leadership of the new Directorate General for Climate Change, a framework for REDD+ benefits sharing and MRV is being advanced. Another important ongoing reform process on forest governance is the decentralization of forest management to Forest Management Units at the district level. In addition, the "One Map Policy" will harmonize the maps (including the delineation of concession boundaries) used by different parts of the government. A next step in this reform process is the development of a national cadaster.

In **Madagascar,** a revision of the national forest policy has been initiated and is set to be finalized in the coming year. As part of the revision, REDD+ is specifically incorporated in national policy, and related aspects of land tenure and carbon rights are currently being considered. The National REDD+ Coordination Office—set up in February 2014 and part of the Ministry of Forests and Environment—signed a joint statement of commitment with the Ministry of Agriculture and the Ministry of Energy and Hydrocarbons in September 2015, to help ensure the alignment of activities that impact forest resources with the objective of sustainable management of forest resources.

In **Mozambique**, a wide-ranging and transformative forest sector reform was launched in December 2015, resulting in a two-year moratorium on issuing new forest concessions and simple licenses, a thorough assessment of all forest concessions and simple licenses in the country, a ban on the exploitation of the highly endangered tree species pau ferro *(Swartzia madagascarensis)*, and a suspension of log exports. On the institutional side, a new National Forests Institute and a forests-related law enforcement agency (AQUA) are being set up. Further, a new Forest and Policy Strategy (2016–26) was initiated. Focusing solely on forest resources, it replaces the existing Forests and Wildlife Development Policy and Strategy, with the aim of promoting the protection, conservation, valorization, and use of the national forests heritage in a sustainable, responsible, and transparent manner for the economic, social, and ecological benefit of current and future citizens. Furthermore, a new Forest Law is being drafted to replace the existing Forest and Wildlife Law (the protection of wildlife will move under the ambit of the Biodiversity Conservation Law). The new Forest Law will address, among other things, forest conservation, new models of forest exploration, community rights and management, regulating charcoal exploration and production, and strengthening the model of enforcement and control. The proposed reforms are still under discussion within the recently created Ministry of Land, Environment, and Rural Development and relevant stakeholders, including other government departments, the private sector, and civil society.

In **Nepal,** the new Constitution (2015) ensures the equitable sharing of benefits accrued from the conservation and management of forests, plant resources, and biodiversity. In addition, the new Forest Policy of 2015 not only widens the scope of the community-based forest management system in Nepal, it also includes provisions for the payment for environment services, and recognizes the need to involve the private sector in forestry. This builds a strong foundation for broad benefit-sharing of carbon revenues and recognizes the powerful role that local communities play in the conservation and management of the nation's forests and natural resources.

In **Panama,** a new Law on Forestry Incentives is under preparation and currently under consultation with agriculture and reforestation associations, academia, the private sector, and other sectoral branches of government, among others. The law will support the implementation of the public-private "One Million Hectares Initiative," a 20-year forestation and reforestation project that will help Panama realize the goals of its National Forestry Plan and meet its pledge to reduce carbon and greenhouse gas emissions by capturing as much as 7 million metric tons of carbon dioxide (CO_2) per year. As part of the initiative, the Ministry of Environment is placing emphasis on raising awareness in the general public on the importance of forests and the ecosystem services that they offer, in addition to reducing deforestation, recovering degraded areas, mitigating climate change, and protecting watersheds. Reforestation is also one of the key priorities of Panama's draft national REDD+ strategy.

In the **Republic of Congo**, the new Constitution, which was promulgated in 2015, makes management of the environment a constitutional principle, with resulting obligations for the state and citizens. In addition, the Council of Ministers approved a decree establishing the management bodies implementing the REDD+ process, thus formalizing previously existing arrangements and formally defining the responsibilities, organization, and functions of the national REDD+ committee, the 12 departmental REDD+ committees, and the national REDD+ coordination body. The nation's commitment to REDD+ continues to influence the review of several laws and their implementing decrees, including the Environment Law, the Forest Code, a new Forestry Policy, and the Framework Law on Land Use Planning.

In **Uganda**, the Second National Development Plan is the second in a series of six five-year plans aimed at achieving the Uganda Vision 2040, with the goal to propel the country toward middle-income status. The Second National Development Plan includes forest-related commitments that target an increase in forest cover from 15 to 18 percent of Uganda's land surface by 2021. The plan further includes commitments to restore degraded natural forests in forest reserves and forests on private land, reduce pressure on forest cover, and promote forestry-based industries and trade. Moreover, the plan aims at increasing the economic productivity of forest incomes and capacitating institutions in restoring and improving forest ecosystems.

In **Vietnam**, six provincial REDD action plans were developed in the North Central Coast and approved by the respective provincial People's Committees. These plans now form the basis for the actions being proposed as part of the program presented to the FCPF Carbon Fund, and are part of several broader policy targets that the government committed to meeting in 2016.

4.3. PROGRESS AT THE OUTCOME LEVEL

Outcome-Level Result 1: Efforts successfully undertaken by countries with FCPF support to achieve emission reductions from deforestation and/or forest degradation, and to benefit from possible future systems of positive incentives for REDD+ (Readiness Fund)

Outcome-level indicator 1.A: Number of Readiness Packages endorsed by the Participants Committee (R-Packages are in line with the Assessment Framework)

Target: 2 R-Packages by 2014, 8 R-Packages by 2015, 20+ R-Packages by 2018

By the end of FY16, a total of three R-Packages (REDD+ readiness assessments)—Costa Rica, the Democratic Republic of Congo, and Mexico—were endorsed by the Participants Committee. As such, progress toward reaching this important readiness milestone across more countries is still lagging behind earlier anticipated targets. However, the reason for slow progress on the submission of R-Packages is not necessarily the slow readiness progress. In fact, a considerable number of REDD+ countries are actually in advanced stages of readiness progress, but were also preparing emission reductions programs in parallel. As the Carbon Fund pipeline was expected to close in FY16, countries likely prioritized finite human resources on the development of Emission Reductions Program Idea Notes (ER-PINs), rather than R-Packages. As the countries selected into the FCPF Carbon Fund pipeline will have to demonstrate Participants Committee-endorsed R-Packages before they can advance to submission of Emission Reductions Program Documents (ERPDs) in the Carbon Fund, it is anticipated that many of the R-Packages will be submitted in FY17 and FY18.

The two countries that presented R-Packages in FY16 were Costa Rica and Mexico. Both countries were commended for providing very candid self-assessments that took into account multi-stakeholder feedback. They were recognized as good practice examples for future submissions. Mexico, in particular, was considered a best practice example for a highly inclusive and participatory REDD+ readiness process that provides an important foundation for consensus building and communication around REDD+ in the country.

Outcome-Level Result 2: Selected FCPF countries demonstrate key elements (carbon accounting, programmatic elements, and pricing) of performance-based payment systems for emission reductions generated from REDD+ activities with a view to ensuring equitable benefit sharing and promoting future large-scale positive incentives for REDD+ (Carbon Fund)

This outcome-level result is not yet applicable.

Outcome-Level Result 3: Engagement of all stakeholders (governments, CSO, Indigenous Peoples, private sector, Delivery Partners, and partners) to sustain or enhance the livelihoods of local communities and conserve biodiversity in the approach to REDD+

Outcome-level indicator 3.A: Design of national REDD+ strategies, monitoring systems, and emission reductions programs addresses indicators for enhancement of the livelihoods of local communities and biodiversity conservation

Countries have placed much emphasis on developing sustainable, low-carbon development trajectories. As such, their visions for rural landscape transformation intrinsically link objectives for climate change mitigation and adaptation with objectives to bring prosperity to the rural poor. Consequently, national REDD+ strategies, as well as subsequent emission reduction programs, consistently and without exception address the enhancement of local communities. Likewise, countries are keen to demonstrate that the strategic objectives and interventions defined in REDD+ strategies and programs not only catalyze climate benefits, but also other environmental benefits, including biodiversity conservation. Cameroon, for example, recently finalized and validated its national REDD+ strategy. To allow for monitoring of biodiversity-related indicators under REDD+, biological integrity assessments are currently underway in more than 250 permanent plots identified as part of the forest inventory. Biodiversity assessments are also informed by local experts and forest guides who have deep expertise on species and ecosystem diversity in the respective areas.

Outcome-Level Result 4: Knowledge gained in the development of the FCPF and implementation of Readiness Preparation Proposals (under the Readiness Fund) and emission reductions programs (under the Carbon Fund) broadly shared, disseminated and used by international REDD+ practitioners

Outcome-level Indicator 4.A: Number of new countries/ stakeholders requesting to become FCPF members/observers

The FCPF has been closed for additional REDD+ Country Participants since FY14. As such, no additional countries submitted formal expressions of interest to become FCPF members in FY16. However, the Facility continues to receive informal inquiries about potential reopening of the Readiness Fund, including from countries that have previously submitted formal expressions of interest.

In FY16, requests from representatives from nonparticipant countries, civil society, Indigenous Peoples, academia, and the private sector for participation in FCPF meetings in an observer role have increased, indicating the continued significance of the Facility in piloting REDD+. The interest generally reflects the increasing maturity in REDD+ readiness that several countries are demonstrating with the submission of mid-term progress reports (MTRs) and R-Packages, and the pioneering work they are carrying out under the Carbon Fund in the development of large-scale REDD+ programs. Requests for observer status were generally granted provided the established protocol for registration was followed.

Outcome-level indicator 4.B: Examples of utilization of or reference to FCPF knowledge products

Country feedback confirms that the "Guide to the FCPF

Readiness Assessment Framework" remains the most utilized knowledge product, as it forms an integral part of the REDD+ readiness process. In FY16, 11 countries applied the framework to prepare their MTR and two countries used it for multi-stakeholder self-assessments in the context of R-Package preparation, some of which will be presented in early FY17. Other countries, for example Burkina Faso, reported that they used the tool to prioritize and organize readiness activities.

Several countries, including Indonesia, Lao PDR, Madagascar, and Vietnam, also reported the use of the "REDD+ decision support tool" and the related REDD+ technical training material for the purpose of developing reference levels for the emission reductions program submitted (or to be submitted) to the Carbon Fund and for the development of their MRV systems. The training on these tools also led to collaboration with several international experts who can assist countries in their readiness process going forward. Vietnam further used the knowledge gained from training and the application of these tools to perform an accuracy assessment of key input data such as historical forest cover maps.

Vietnam also completed a full cost assessment of its draft emission reductions program based on application of the "REDD+ cost elements assessment tool." Upstream analysis has been a critical step in building credible program design and outlining sources and categories of finance that reflect the financial viability of the programs.

4.4. PROGRESS BY OUTPUT

Output 1.1: Readiness Assessment Framework is agreed upon and disseminated

Output-level indicator 1.1: Existence of published assessment framework on the Readiness Package

The Readiness Assessment Framework was adopted in FY13 as per the target set in the FCPF M&E Framework. As reported in detail in previous Annual Reports, countries have considered its application as a helpful tool for self-assessment of readiness progress.

Output 1.2: Countries demonstrate an adequate plan to achieve preparedness for REDD+ funding

Output-level indicator 1.2.a: Number of R-PPs endorsed by the Participants Committee

The FCPF includes 47 REDD+ Country Participants, of which 45 have been actively engaged in the partnership. The R-PPs of all these 45 countries have been endorsed by the PC with the latest round of R-PPs endorsed in FY14. This well exceeds the PMF's target. In FY16, two previously inactive countries, Bolivia and Gabon, have indicated interest to reengage in the partnership, which may result in submission of additional R-PPs in FY17.

Output-level indicator 1.2.b: Number of Readiness Preparation Grant agreements signed

In FY16, four additional Readiness Preparation Grants, amounting to $15.2 million, were signed by the Dominican Republic, Panama, Thailand, and Uruguay. So, of 45 REDD+ Country Participants eligible for readiness financing, a total of 39 signed their Readiness Preparation Grants by the end of FY16, amounting to $148.2 million[1] in grant resources allocated for REDD+ readiness preparation. This is above the PMF target of 30+ grants signed by 2015.[2]

Four additional countries (Argentina, Belize, the Central African Republic, and Paraguay) advanced preparation for grant signature in FY16 and are expected to sign in early FY17. Kenya and Tanzania are the only two countries that remain eligible for readiness funding where grant preparation has not been initiated. In FY16, an earlier hold-up to making grant resources available to Kenya was resolved, including a change of the Delivery Partner to the UNDP, which is currently being formalized. Tanzania has requested FCPF grant funding but grant processing is pending to allow for better alignment and synergies with the broader natural resources portfolio in the country.

Output 1.3: Countries progress adequately on implementation of their R-PP and Grant Agreements

Output-level indicator 1.3.a: Number of mid-term progress reports presented by countries that follow agreed reporting standards and are presented in a timely manner

Progress on reaching the midterm of readiness implementation was mixed in FY16. Although six countries (Chile, Ethiopia, Guatemala, Mozambique, Nepal, and Uganda) submitted mid-term progress reports, four countries (El Salvador, Lao PDR, Togo, and Vanuatu[3]) are overdue to submit mid-term reports.

Upon reaching the midterm of readiness implementation, countries can request additional grant funding of $5 million. In FY16, five of the countries that submitted mid-term reports also requested and received additional readiness funding.[4] However, progress in moving from the allocation of additional funding to actual signing of additional Grant Agreements has been lagging behind for several countries. In FY16, only four Grant Agreements for an additional $5 million were signed (Costa Rica, Liberia, Mozambique and the Republic of Congo), while seven grants allocated in FY15 or FY16 remain pending (Chile, Guatemala, Indonesia, Mexico, Nepal, Uganda, and Vietnam). The reasons for delay differ for each country, but often present a combination of lost momentum on the country's side as well as the Delivery Partner's side. For example, in Indonesia, government changes resulted in prolonged discussions to prioritize activities to be financed with additional grant resources, while changes in task team leadership further contributed to a delay in completing due diligence and processing of the grant through internal World Bank processes. In Nepal, the aftermath of the earthquake and a focus on other urgent activities led to limited progress on grant effectiveness.

[1] These figures do not include additional funding of $5 million.
[2] The original PMF target did not take into account an expanded number of REDD+ Country Participants.
[3] MTRs for Cameroon and Nicaragua were also due, but both countries submitted in early FY17.
[4] Ethiopia submitted a mid-term report, but did not request additional funding.

In Chile and Mexico, a sufficient remaining balance from the initial readiness grant resulted in limited urgency to make additional readiness grant resources available quickly. In the cases of Guatemala and Uganda, the delay in grant signature is not yet significant, as allocations were only made at PC21 in May 2016; however, in the case of Guatemala, the transfer of funds from the World Bank to the Delivery Partner has been slow and may compound delay. In FY17, an increased focus on portfolio monitoring could contribute to reduce unnecessary grant processing delays across the portfolio.

Output-level indicator 1.3.b: Percentage of countries that are achieving planned milestones according to approved Readiness Preparation grant (> $3.4 million)

At the time of print, reports from the World Bank (for example, Grant Reporting and Monitoring reports) and from other Delivery Partners, for the most part, were not yet available, as they are generally due by the end of October of each year.

Output-level indicator 1.3.c: Percentage of countries that are overall achieving planned milestones for subcomponents as per the country annual reporting scale

As per the PMF, the target is for 100 percent of countries to rate their performance in implementing R-PPs at subcomponent level as "progressing well" or above for 80 percent of subcomponents by 2018. This would indicate expected progress from the earlier 2015 target of 50 percent of countries rating performance at subcomponent level as "further development required" or above for 50 percent of subcomponents.

Of the 39 countries with signed Readiness Grant Agreements, 35 were under implementation for at least one year, and thus are due to report on annual implementation progress. However, by the print deadline for the FY16 FCPF Annual Report, only 25 countries had submitted their Country Progress Reports. Of these 25 countries, 92 percent rated their performance as "progressing well" or above. Although this is above the PMF target for 2015, the data may not be fully representative of overall portfolio performance, as better performing countries also tend to provide more timely and consistent reports. More specifically, 13 countries reported that they have made significant progress against planned milestones (Bhutan, Cambodia, Chile, Costa Rica, the Democratic Republic of Congo, El Salvador, Ghana, Guatemala, Liberia, Mexico, Mozambique, Nepal and Pakistan), 10 countries assessed themselves as progressing well, although further development is needed for some planned milestones (Côte d'Ivoire, Ethiopia, Honduras, Madagascar, Nicaragua, Papua New Guinea, the Republic of Congo, Suriname, Uganda, and Vietnam), and two countries reported that further development is needed to reach planned readiness milestones (Nigeria and Peru). The four countries (the Dominican Republic, Panama, Thailand, and Uruguay) that were in early stages of grant implementation (i.e., Grant Agreements have been effective for less than a year) were not required to report progress, as they are typically in the process of staffing implementation structures, operationalizing implementation arrangements, and launching implementation of readiness activities.

Output-level indicator 1.3.d: Percentage of countries with a disbursement rate that is in line with agreed Readiness Preparation Grant (> $3.4 million) disbursement plans of Grant Agreement (up to 10% variance with plans)

Disbursement rates have steadily improved over the past three years. At the end of FY16, grant disbursements from the Readiness Fund amounted to $90 million (compared to $61 million at the end of FY15), including transfers of $30 million to Delivery Partners other than the World Bank. In FY16, 85 percent of the countries with Readiness Preparation Grants were disbursing within 50 percent variance (or better) of their disbursement plans. That is a significant improvement compared with 54 percent of the countries in the same category in FY15. Likewise, in FY16, only 15 percent of the countries were either not yet disbursing or disbursing at less than 50 percent of plan, compared with 46 percent of the countries in FY15.

Despite these significant improvements in overall disbursement performance, the portfolio-level target of "60 percent of the countries disburse with up to 10 percent variance of their disbursement plans" is not yet being met. Currently, only 26 percent of the countries meet this target (no change compared with FY15).

Since a large number of countries signed their Readiness Grants in the past two years, some delays with bringing disbursement performance to full speed was to be expected. Disbursement performance tends to lag behind actual implementation performance, as the costs of larger contracts (for example, for technical studies, consultation processes, and safeguards documents) are typically not disbursed until activities are completed and final deliverables have been submitted.

A more detailed overview of disbursement performance for the 39 countries that had signed Grant Agreements by the end of FY16 is provided in table 3. Noteworthy progress on disbursement (that is, moving up at least two categories compared with last year) was made in particular by Burkina Faso, Colombia, Ethiopia, Fiji, Indonesia, Madagascar, Nigeria, Pakistan, and Sudan. Over the past two years, consistently strong disbursement performance (consistently within 90 percent or more of the plan) has been demonstrated by Bhutan, Côte d'Ivoire, the Democratic Republic of Congo, and Ghana. Only two of the 39 countries are not yet disbursing, but since Thailand and Uruguay signed their Grant Agreements only within the last three months of FY16, they were expected to start disbursing only in early FY17.

Output 2.1: Standards and preparations in place for high-quality emission reductions programs discussed and endorsed by Carbon Fund Participants and/or the Participants Committee

Output-level indicator 2.1: Number and types of standards and management tools discussed and endorsed by Carbon Fund Participants and/or the Participants Committee for emission reductions programs including:

Table 3: Disbursement rates of countries with Readiness Preparation Grants signed by the end of FY16

More than plan (>100%)	Within 90% of plan	Within 50% of plan	Within less than 50% of plan	Not yet disbursing	No grant agreement
Congo, Dem. Rep.	Bhutan	Burkina Faso	El Salvador	Thailand	Argentina
Ethiopia	Côte d'Ivoire	Cambodia	Guatemala	Uruguay	Belize
Ghana	Indonesia	Cameroon	Guyana		Central African Republic
	Madagascar	Chile	Suriname		Kenya
	Nepal	Colombia			Paraguay
	Nicaragua	Costa Rica			Tanzania
	Papua New Guinea	Dominican Republic			
		Fiji			
		Honduras			
		Lao PDR			
		Liberia			
		Mexico			
		Mozambique			
		Nigeria			
		Pakistan			
		Panama			
		Peru			
		Congo, Rep.			
		Sudan			
		Togo			
		Uganda			
		Vanuatu			
		Vietnam			

Output-level indicator 2.1.a: Methodological Framework and pricing approach

Methodological Framework

The Methodological Framework was adopted by Carbon Fund Participants at the eighth Carbon Fund meeting, in December 2013, in Paris. The Methodological Framework provides a global standard for REDD+ transactions at scale, and guides the piloting of results-based carbon finance transactions through the FCPF Carbon Fund.

Pricing Approach

In FY14, Carbon Fund Participants indicated a preference for fixed pricing and a willingness to pay up to $5 per tonne of CO_2 equivalent (CO_2e), while recognizing that the ultimate price is subject to negotiations at the time of ERPA negotiations.

REDD+ countries have focused their approach to pricing discussions on better assessing the cost of emission reductions program implementation to factor these into eventual price negotiations at the ERPA stage. In FY16, Vietnam completed a full cost assessment of its draft emission reductions program based on application of the cost assessment tool. Upstream analysis has been a critical step in subsequently aligning various streams of finance and strengthening the financial viability of emission reductions programs. To cover the financing gaps of emission reductions programs, which pose a major risk for achieving emission reductions program implementation, there has been an increased focus on innovative options, including bonds and guarantees.

Output-level indicator 2.1.c: Legal documents (General Conditions, ERPA Term Sheet)

The ERPA Term Sheet was endorsed at the PC14 in March 2013 (FY13), meeting the PMF target.

The General Conditions for the ERPA were adopted by the PC18 in November 2014 (FY15), slightly after the PMF target of PC16, as the General Conditions hinged on the finalization and approval of the Methodological Framework for the Carbon Fund, which was approved at the eighth Carbon Fund meeting in December 2013.

The General Conditions build on the criteria and indicators specified in the Methodological Framework and provide, among others, for the general legal rules and procedures that are expected to be followed during emission reductions program design, preparation, and implementation. They further provide a set of (nonnegotiable) general rules and procedures that apply to each carbon transaction, while the ERPA covers the (negotiable) commercial terms of such transactions.

Output 2.2: Countries have entered in the portfolio of the Carbon Fund

Output-level indicator 2.2.a: Number of early ideas or emission reductions programs presented by countries to the Carbon Fund

To date, 24 countries have presented early ideas for REDD+ programs; 20 countries went on to formally present ER-PINs; and 19 have been selected into the pipeline (see table 4).

By the end of FY15, ER-PINs from 11 countries (Chile, Costa Rica, the Democratic Republic of Congo, Ghana, Guatemala, Indonesia,[5] Nepal, Mexico, Peru, the Republic of Congo, and Vietnam) had been selected into the pipeline of the Carbon Fund. In FY16, nine additional ER-PINs were presented, of which eight ER-PINs (Cameroon, Côte d'Ivoire, Dominican Republic, Fiji, Lao PDR, Madagascar, Mozambique, and Nicaragua) were selected, thus increasing the Carbon Fund pipeline to 19 countries.

The significant increase in the Carbon Fund pipeline in FY16 came in response to commitments from Carbon Fund Participants to provide increased funding to the Carbon Fund, subject to the presentation of quality program proposals. With the term of the Carbon Fund extended in FY15 by five years to the end of 2025, sufficient time remains for program development of these new additions to the pipeline, as well as a minimum of five-year terms of program implementation, including verification and payment of the emission reductions generated.

Subsequent to selection into the pipeline, countries negotiate and sign a letter of intent (LOI) that confirms the country's intention to sell and the FCPF Carbon Fund's intention to buy a certain amount of carbon emission reductions within an agreed timeframe. In FY16, six additional countries negotiated and entered into an LOI with the World Bank in its role as the trustee for the FCPF Carbon Fund. Therefore, 14 of the 19 countries selected into the Carbon Fund pipeline have now signed LOIs. Signature is pending in the remaining five countries (Cameroon, Fiji, Guatemala, Indonesia, and Lao PDR). However, Cameroon was only just selected and Indonesia only just confirmed into the pipeline in June 2016. Therefore, both countries are still well within the nine-month period generally set from ER-PIN selection to LOI signature. For Fiji and Lao PDR, the nine-month timeframes expire in January 2017 and November 2016,[6] respectively, but negotiations are already well underway and LOIs are expected to be signed at the beginning of FY17. In Guatemala, there has been delay in signing the LOI for several reasons, including a change in government, a subsequent change of the institution identified to have legal authority to sign the LOI (and eventually the ERPA), and the need to seek the Congress's approval for the LOI prior to signature according to the country's Constitution. The government, including the Minister of Finance, remains strongly committed to the emission reductions program, and the LOI has already been negotiated. A pending approval from the Congress would further strengthen the country's commitment to the program.

Countries that have signed their LOIs are now advancing the development of their emission reductions programs, consistent with the Methodological Framework and in accordance with the World Bank's due diligence process. In FY16, the first two countries, Costa Rica and the Democratic Republic of Congo, completed the significant milestone of preparing Emission Reductions Program Documents, and presented them to the Carbon Fund Participants in June 2016 after a nine-month review process that included the assessment from an independent Technical Advisory Panel (TAP). Three additional countries embarked on the same assessment process at the end of FY16, with the aim to present ERPDs to Carbon Fund Participants at the next Carbon Fund meeting in December 2016.

Although the provisional selection of the two emission reductions programs from Costa Rica and the Democratic Republic of Congo into the Carbon Fund portfolio in FY16 presents an important step forward in the Carbon Fund's business process, the initial PMF target of 10 ERPDs presented and five ERPAs signed by 2015 obviously cannot be met. The ERPA negotiations for Costa Rica and the Democratic Republic of Congo will proceed subject to completion of the World Bank's due diligence on the programs and fulfillment of conditions as stated in the respective resolutions for the two countries. Based on country capacity, a first ERPA signature may therefore be achieved at the earliest in the first two quarters of FY18.

Nonetheless, the innovative and ambitious programs of Costa Rica and the Democratic Republic of Congo, both champions of REDD+, deserve attention, as the program strategies reflect the unique challenges and circumstances that these two countries face on their path to meet their sustainable, low-carbon development aspirations. As such, they provide good examples of the diversity of approaches that the Carbon Fund expects to see in a growing portfolio.

Output 2.3: Increased levels of private sector investment for incentivizing, testing, and supporting up-scaling of emission reduction activities

Output-level indicator 2.3: Number of private sector participants in Carbon Fund
Target: Two new private sector participants by 2014

The FCPF Carbon Fund is no longer actively pursuing new private sector participants into the Fund itself, but is instead focusing on strengthening relationships with the private sector,

[5] Indonesia was provisionally selected into the pipeline with the condition to present a revised ER-PIN. Upon presentation of a revised ER-PIN at the 14th Carbon Fund meeting, Indonesia was formally included in the Carbon Fund pipeline.

[6] Since Fiji and Lao PDR were provisionally selected into the pipeline at the 13th Carbon Fund meeting in October 2015, the nine-month period until signature of the LOI starts upon satisfactory submission of a revised ER-PIN, which Fiji submitted in April 2016, and Lao PDR in February 2016.

Table 4: Countries that have presented early ideas or ER-PINs to the Carbon Fund

Country	CF2	CF3	CF4	CF5	CF6	CF7	CF9	CF10	CF11	CF12	CF13	CF14
Argentina										Early Idea		
Cambodia								Early Idea				
Cameroon										Early Idea	ER-PIN	ER-PIN
Chile						Early Idea	ER-PIN	ER-PIN				
Colombia								Early Idea				
Costa Rica	Early Idea		Early Idea	ER-PIN	ER-PIN							ERPD
Côte d'Ivoire										Early Idea	ER-PIN	
Democratic Republic of Congo	Early Idea		Early Idea			ER-PIN	ER-PIN					ERPD
Dominican Republic										Early Idea	ER-PIN	
Ethiopia					Early Idea							
Fiji										Early Idea	ER-PIN	
Indonesia	Early Idea					Early Idea		Early Idea	ER-PIN		ER-PIN	
Mexico	Early Idea					Early Idea	ER-PIN					
Ghana		Early Idea					ER-PIN					
Guatemala								Early Idea	ER-PIN			
Guyana										Early Idea	ER-PIN	
Lao PDR										Early Idea	ER-PIN	
Madagascar								Early Idea			ER-PIN	
Mozambique										Early Idea	ER-PIN	
Nepal		Early Idea					ER-PIN					
Nicaragua										Early Idea	ER-PIN	
Peru							Early Idea	ER-PIN	ER-PIN			
Republic of Congo					Early Idea		ER-PIN	ER-PIN				
Vietnam			Early Idea	Early Idea	Early Idea			ER-PIN				

with a view to facilitating public-private partnerships with companies that produce, trade, or buy commodities driving deforestation or forest degradation.

In past years, engagement with the private sector predominantly focused on large consumer goods companies with global reach that had made commitments to zero-deforestation commodity supply chains as part of the 2014 New York Declaration on Forests. In FY16, the engagement broadened and is increasingly focusing also on the private sector, including small producers, operating at local or national scales.

In **Côte d'Ivoire**, progress has been made on decoupling agricultural production and deforestation through zero-deforestation agriculture. A policy paper on zero-deforestation agriculture was developed and validated with the cocoa, oil palm, and rubber sectors. The aim is to promote intensive farming as well as agroforestry practices to decouple commodity production from deforestation. A thematic group was formed to this end under the national public-private partnership platform, and the first pilot projects to test the implementation of a zero-deforestation policy have been launched.

In addition, the Government of Côte d'Ivoire is actively working to mobilize significant investment finance from the private sector for the implementation of zero-deforestation agriculture by seeking partnerships with large agro-industrial groups involved in the cocoa, rubber, and palm oil sectors, as well as with operators in the timber industry. In FY16, an agreement was reached with Mondelēz International to support improved cocoa farming in Côte d'Ivoire as part of the Mondelēz' Cocoa Life initiative, and a two-year action plan was agreed upon that prioritizes support to policy dialogue in the cocoa sector, and to building producer awareness on the Forest Code and sustainable farming practices.

In **Chile**, the agroforestry sector is one of the priority areas identified in the national REDD+ strategy. The government is actively identifying public-private partnership opportunities for sustainable silvopastoral management models that provide an alternative to cattle ranching, which has a higher forest carbon footprint. Such partnership models would contribute to national commitments of sustainable forest management on more than 100,000 hectares of native forest, and afforestation of another 100,000 hectares by 2030.

In **El Salvador**, the government has been working with sugarcane producers to reduce the impact of sugarcane production on deforestation. More than 7,000 producers have formed an association, and best practices in sugarcane production have been developed.

In **Indonesia**, the government is aiming to engage the private sector in the licensing and concession management process for mining and estate crops, and to promote the adoption of sustainability certification schemes and best management practices. The government is further planning to identify degraded land areas suitable for potential land swaps for plantation concessions.

In **Nepal**, private sector engagement focuses on productive forest enterprises. The national forest policy from 2015 aims to involve the private sector in forest conservation and management, as well as product diversification, value addition, and commercialization of forest products, thereby creating opportunities for employment and income generation. A recent study quantified the potential impacts of private sector involvement in implementation of the proposed emission reductions program in Nepal's Terai Arc Landscape. It was estimated that efforts to promote private forestry initiatives would help to establish about 12,000 hectares of commercial private forests (about 1,000 hectares in each district) over the five years of program implementation. This would result in sequestration of 118,000 tons of CO_2e, assuming default emission factors.

In **Vietnam**, the privatization of state forest companies, which manage a significant part of the country's forests, is part of a longer-term reform process that aims to contribute to more sustainable management, natural regeneration, and replanting of forests. There has also been a positive track record in promoting forest replanting, including on degraded land, by providing access to finance—for example, small-scale loans for rural communities.

Output 3.1: Enhanced capacity of Indigenous Peoples and CSOs to engage in REDD+ processes at the country level

Output-level indicator 3.1.a: (i) Number and type of examples of in-country REDD+ actions where Indigenous Peoples and CSOs and local communities participate actively

Target: Various new examples exist with strong evidence of Indigenous Peoples and CSO active participation and broad community support in REDD+ programs/readiness by 2015

In **Cambodia**, more than 1,000 stakeholders were consulted during the formulation process for the national REDD+ strategy. The series of national and subnational consultations covered 20 provinces and brought together representatives of community forestry, fisheries, protected area networks, Indigenous Peoples, civil society organizations, NGOs, international NGOs, academic institutions, and the private sector. In addition, nine half-day events to increase awareness and understanding among indigenous community members on REDD+ and the recent progress of REDD+ development were organized in three provinces. These events brought together 220 Indigenous Peoples representatives, of which 69 were women, from the five ethnic minorities of Kouy, Kroeung, Prov, Jarai, and Phnoung. Indigenous Peoples and CSOs are also represented in the Cambodian REDD+ consultation group, which represents nine distinct constituencies, including the private sector and academia. The consultation group participates in decision-making; provides inputs to annual work plans and budgets; participates actively in REDD+ taskforce meetings and consultations; nominates representatives to subnational, national, and international capacity-building events and policy forums; and contributes through facilitation of events, review of media products, and as required to ensure and uphold high standards of stakeholder engagement in the Cambodian REDD+ readiness.

In **Chile**, stakeholder engagement and discussions at different levels (political, technical, and regional and local levels) contributed to the participatory formulation of the national

REDD+ strategy. In addition to several expert workshops at the technical level, 15 regional workshops—one in each administrative region of the country—as well as a national workshop with participation of more than 1,260 people were carried out. Special emphasis was placed on the participation of representatives from local communities, Indigenous Peoples, women, and vulnerable groups. After initial input into the formulation process from the range of stakeholders, three subsequent forums aimed at consultation and validation of the draft REDD+ strategy were carried out. In addition to face-to-face workshops, input from the broader public was made possible via the government's websites, and widely broadcasted by digital and print media. An additional layer in the validation process was the indigenous dialogue and participation focused on the nine administrative regions with indigenous presence. This dialogue is still ongoing and expected to involve the participation of more than 2,200 people from indigenous communities, indigenous associations, traditional authorities, and facilitators from other types of indigenous organizations.

In **Costa Rica**, 16 stakeholder engagement events with 305 participants were held during January to May 2016: 52 percent men, 48 percent women, and 4.6 percent young people. Overall, 95 percent of the consultation plan has now been implemented, missing just three of the 24 Indigenous Peoples communities to join the process.

In **Vietnam**, stakeholders from the household level to the national and international levels were consulted during development of the emission reductions program. It is estimated that consultations have involved 24 rural communities, with the participation of more than 500 individual households. Twelve ethnic minority groups participated in these household-level consultations. At the national level, more than 100 people were consulted as well as a further 35 people representing CSOs and NGOs. Overall, more than 30 workshops were organized related to the emission reductions program.

Output-level indicator 3.1.a: (ii) Examples of resources made available to enable active participation of Indigenous Peoples, CSOs, and local communities in national REDD+ readiness

In FY16, four of the six regional projects (the projects in Africa and Latin America) under the second phase of the Indigenous Peoples/CSO Capacity Building Program were approved, and respective Grant Agreements were signed with the identified recipient organizations. The intermediary recipient organizations for the Indigenous Peoples and CSO projects in Africa are the Mainyoito Pastoralists Integrated Development Organization and the Pan African Climate Justice Alliance, respectively. For the Indigenous Peoples and CSO projects in Latin America, the recipient organizations are the Asociacion Sotz'il and the Central American Coordinating Body for Indigenous Peoples and Small Farmers in Agro-Forestry, respectively. The two projects for Asia remain pending subject to internal approval by the World Bank.

During the 15th session of the United Nations Permanent Forum for Indigenous Issues, which took place at the United Nations Headquarters in New York City in May 2016, the FCPF signed grants with the Kenya-based Mainyoito Pastoralists Integrated Development Organization, in a ceremony attended by several Indigenous Peoples leaders from around the world.

The Indigenous Peoples and CSO organizations and networks that will implement subprojects under the approved projects are currently being selected by the recipient organizations, based on eligibility criteria that were agreed on by Indigenous Peoples and CSO representatives from the participating countries and the World Bank.

The project is an important instrument to increase the engagement of forest-dependent Indigenous Peoples in national REDD+ processes, and give them a window of opportunity to engage more meaningfully in national dialogues. The project also presents an opportunity to improve collaboration between

BOX 1: BEST PRACTICE EXAMPLE: MEXICO'S HIGHLY INCLUSIVE CONSULTATION APPROACH FOR REDD+ STRATEGY FORMULATION

Mexico pursued a highly inclusive, participatory, and culturally adapted approach to developing its national REDD+ strategy (ENAREDD+), engaging with a wide range of actors across society, including Indigenous Peoples, *ejidos* and agrarian communities, owners of forest lands and landholders, groups engaged in forest management, and academics. The National Forestry Commission (CONAFOR) conducted the consultation process in three phases: (a) Information & Dissemination; (b) Consultation; and (c) Consolidation.

Several modalities were used to disseminate information. Virtual consultations were carried out via the ENAREDD+ website, which hosted a 25-question survey that drew responses from 683 people, of whom 39 were members of indigenous communities. In addition, 461 workshops and forums were held across the country, reaching more than 26,000 people in face-to-face engagement. Special efforts were made to target women and young people in rural areas with these workshops, as well as Indigenous Peoples with use of indigenous languages. CONAFOR worked with 76 local nongovernmental organizations (NGOs) to help diffuse information on REDD+. Information packages and training were provided to 129 representatives of the selected NGOs, through five introductory courses on REDD+ as well as the principles of the consultation process, to ensure consistency in information dissemination. During the consultation process, CONAFOR received 191,000 responses, 10,000 comments, and 3,000 suggestions that fed into the formulation of ENAREDD+. The consultations culminated in a fourth and final version of ENAREDD+ in April 2016.

BOX 2: COSTA RICA'S FEEDBACK AND GRIEVANCE REDRESS MECHANISM FOR REDD+

Costa Rica set up a mechanism for information, feedback, and complaints specific to REDD+. The aim is to ensure that due attention is given to complaints, and that any grievances related to REDD+ are resolved with quick, accessible, transparent, and impartial treatment. The grievance redress mechanism (GRM) is institutionalized through the Services Comptroller Officer of the National Fund for Forest Financing (FONAFIFO) and coordinated through the Ministry of National Planning, with the aim of ensuring transparency. Regular reports on the number of cases received and the course of redress taken are made publicly available on FONAFIFO's website. Users can access the GRM through different means, such as in writing, by phone, by e-mail, and online. The online interface provides information on the different types of use, including requests for information or clarification, feedback, or submission of grievances. The process for the respective follow-up action is clearly presented and claim makers can follow the status of their request online.

BOX 3: MAINSTREAMING GENDER CONSIDERATIONS IN REDD+

A socially inclusive approach—in which vulnerable or traditionally excluded social groups, such as women, Indigenous Peoples, and other forest dwellers, are treated as partners in planning—has been a focus of the Forest Carbon Partnership Facility (FCPF). With several REDD+ countries advancing the design of large-scale emission reductions programs, it is an opportune time to ensure that emphasis is placed on the integration of gender into program activities from inception. The recently launched World Bank Gender Equality Strategy 2016–23—which looks in particular at the inclusion of women in development approaches to help close gender gaps and achieve results—provides an additional impetus to translating gender-focused strategies into action on the ground.

Although the discussion on mainstreaming gender considerations can often be theoretical, in the context of the last Participants Committee meeting (PC21), FCPF stakeholders identified a list of concrete actions that can help countries to move ahead with more meaningful participation of women in REDD+ benefit-sharing, local forest governance, tenure security, and forest-based livelihoods. These gender-responsive actions include the following:

1. Develop a **gender roadmap/action plan** using a participatory, inclusive approach (examples are available from Cameroon, Ghana, and Uganda) and **strengthen local capacity** to implement it. For example, Uganda's new gender-REDD+ roadmap and action plan is expected to influence benefit-sharing arrangements significantly, so that women are not left out.
2. Include women's organizations and place women on steering committees and in other **leadership and decision-making roles.**
3. Undertake **gender awareness trainings**, particularly with young people (for example, describing all people's rights in existing laws, treaties, and conventions).
4. Advocate for **strengthening land, tree, and water rights** for women.
5. **Collect sex-disaggregated data** to enhance the evidence base for why gender-responsive actions have returns.
6. Pursue **income-diversification and empowerment opportunities** for women and other disempowered groups.
7. Involve **gender focal points** in all ministries and high-level gender champions. For example, Indonesia has a gender focal point in the Ministry of Environment and Forestry, and a forests focal point in the Ministry of Women's Empowerment and Child Protection.
8. Support **structured, inclusive, and well-facilitated engagement processes** ("meaningful participation"), and see examples of good practices and guidance, for example, UN-REDD's Guidance Note on Gender-Sensitive REDD+.
9. Pursue **innovative communication strategies** (for example, use new information and communications technologies, such as cellphones, social media, radio, TV, etc.), and make more visible the important role women can and do play in managing and protecting forest resources, planting trees, and pursuing climate-smart landscape management strategies.
10. Strengthen **women's groups, networks, and collective action** by women and others, as exemplified by the African Women's Network for Community Management of Forests.

Indigenous Peoples organizations and their respective national governments. The Capacity Building Program remains one of the only programs of its kind to be implemented for and by indigenous and civil society organizations that are involved in REDD+.

The FCPF Capacity Building Program Monitoring Group, which was set up in May 2015, to monitor the FMT's advances on the preparation and approval of grants under the second phase of the program, continues to receive quarterly updates and is expected to continue monitoring progress closely in FY17.

Output-level indicator 3.1.b: Number of Indigenous Peoples and REDD+ country CSO representatives (men/women and/or youth) that have participated and benefitted from FCPF organized workshops/trainings on SESA, governance, and MRV aspects/related aspects of REDD +

Indigenous Peoples and CSO representatives from Africa, Asia, and Latin America participated in four regional workshops (one for Africa, one for Latin America, and two for Asia Pacific regions) to clarify roles and responsibilities in relation to implementation of the second phase of the Indigenous Peoples/CSO Capacity Building Program.

The FMT has supported the participation of FCPF observers in other international processes and fora, such as the United Nations Permanent Forum on Indigenous Issues, as well as the Conference of Parties meetings organized by UNFCCC.

BOX 3: MAINSTREAMING GENDER CONSIDERATIONS IN REDD+ *(continued)*

Three FCPF countries in particular—Cameroon, Ghana, and Uganda—have made significant strides in this area through the creation of Gender Roadmaps. Specific actions in their roadmaps include the following:

- Establishing gender and forest task forces
- Developing training materials on sustainable management of forests and REDD+ issues that are accessible to women
- Conducting a gender-sensitive REDD+ sensitization campaign that includes several sessions (via radio, audio-visual, press, flyers, etc.), and pays special attention to women's media preferences
- Conducting a gender analysis of community forest management
- Securing invitations for a representative of the gender and forest task force to the Parliament's sector work group consultations
- Lobbying the Parliament, relevant government ministries, local governments, and organizations involved in designing legislation related to REDD+
- Assessing gaps, challenges, and opportunities for women in different land tenure systems and forest types, with special attention to institutional and cultural barriers that could prevent women's access to land tenure
- Training local women on land acquisition procedures
- Institutionalizing gender-sensitive benefit-sharing schemes; measurement, reporting, and verification systems; forest management; agroforestry systems; and information and communication systems
- Institutionalizing monitoring and evaluation system safeguards through a comprehensive study of projects to determine their compliance with social safeguards and suggestions for reform measures.

More specifically, in Ghana, a REDD+ Gender Roadmap was finalized in 2013 to mainstream gender considerations in the REDD+ readiness process. In 2015, this initiative advanced to a Gender Action Plan and the establishment of a gender sub–working group under the national REDD+ working group hosted in the Forestry Commission. As a result, gender has been a major consideration when undertaking planning and consultation meetings at the local level.

Uganda developed its REDD+ Gender Roadmap in 2012 and an associated Gender Action Plan in 2015. Funding for implementation of actions identified in the plan has been factored into additional FCPF readiness funding that was allocated following Uganda's midterm progress report in May 2016.

As part of the implementation of Cameroon's REDD+ Gender Roadmap, a Gender Task Force was integrated into the country's National REDD+ and Climate Change Civil Society Platform in 2015, to coordinate, support, and accompany gender-enhancing REDD+ and climate change actions.

In Vietnam, a gender analysis was conducted as part of the Strategic Environmental and Social Assessment process, with a focus on the proposed emission reductions program area. The gender analysis included the review of current laws and strategies relevant to gender equality; common property rights; women's use of forest resources; gender inequality vis-à-vis land use rights, including forest land rights and the ability of women to benefit under the proposed REDD+ program; as well as consultations with women on emission reductions program design. Finally, a gender action plan was drafted as part of the development of the Environmental and Social Management Framework for the emission reductions program.

Output-level indicator 3.1.c: Examples of Indigenous Peoples and REDD+ country-CSO representation in institutional arrangements for REDD+ at the national level

Although this list is not exhaustive, there are 32 countries that are known to have Indigenous Peoples and CSO representation as part of their national REDD+ technical bodies and/or national institutional arrangements for REDD+. They include Cameroon, Chile, Colombia, Costa Rica, the Democratic Republic of Congo, El Salvador, Fiji, Guatemala, Guyana, Honduras, Indonesia, Kenya, Mexico, Nepal, Nicaragua, Panama, Peru, the Republic of Congo, Thailand, Uganda, Vanuatu, and Vietnam. In Bhutan, Côte d'Ivoire, Ethiopia, Ghana, Liberia, Madagascar, Mozambique, Nigeria, Togo, and Uruguay, CSOs and local communities (in the case of African countries) are part of these structures.

For example, the National REDD+ Roundtable in Colombia (Mesa REDD+) is comprised of seven groups of stakeholders that are considered the most relevant for the national readiness process, including Indigenous Peoples' organizations and authorities; Afro-Colombian and farmers communities; national, regional, and local governments; regional environmental authorities; productive sector enterprises; NGOs; academia and research institutes; and representatives of cooperatives. The Mesa REDD+ meets regularly, and also interfaces with the Mesa Agriculture, Forestry, and Other Land Use organization, which follows the INDC implementation in the land use sector.

Output 3.2: Pilots have been successfully implemented on ways to sustain and enhance livelihoods and conserve biodiversity

Output-level indicator 3.2.a: Number of countries where stakeholder engagement platforms proposed in R-PPs have taken up work and meet regularly

Based on reporting (which may not be exhaustive), stakeholder engagement platforms are actively working and regularly meeting in the following 26 countries: Bhutan, Cambodia, Cameroon, Chile, Colombia, Costa Rica, Côte d'Ivoire, the Democratic Republic of Congo, Ethiopia, Fiji, Ghana, Guatemala, Honduras, Indonesia, Lao PDR, Liberia, Madagascar, Mexico, Mozambique, Nepal, Nicaragua, Panama, the Republic of Congo, Uganda, Vanuatu, and Vietnam.

For example, in Mozambique a multi-stakeholder National Steering Committee meets twice per year. In addition, two multi-stakeholder forums at the landscape level meet on a more frequent basis: the Zambézia REDD+ Forum has met six times since its creation last year; and the Cabo Delgado Forum has met four times since its creation last year.

Output 4.1: Knowledge products and lessons from piloting of REDD+ in general and FCPF activities in particular are developed and disseminated, in accordance with global knowledge management and communication strategy and annual work plans

Over the course of FY16, the FCPF broadened the reach of its lessons learned and knowledge products through expanded communication efforts. This included the FCPF website, FCPF newsletter, and social media presence supported by the World Bank's communication platforms. The FCPF website saw an increase of 23 percent in visits compared with the previous fiscal year. In addition, there was an increase of 32 percent in the number of visitors to the site.

The FCPF quarterly newsletter, with a new user-friendly format, reaches more than 600 stakeholders in the FCPF and includes information on country program highlights, FMT updates, and FCPF resources. The past year averaged about a 25 percent open rate.

The FCPF page on Facebook serves as the main point of contact on social media to promote the latest news from the FCPF. Over FY16, the page more than doubled its influence, starting the year off with just over 700 followers and concluding with more than 1,400 likes. In addition, posts to the page have increased their reach. The most popular Facebook post in FY16 reached more than 1,000 people, featuring an infographic on the 2016 International Day of Forests. By comparison, the most popular post in FY15 reached more than 400 Facebook followers.

The FMT communications team continues to promote the work of the FCPF in online feature stories supported through World Bank digital media (Forests topic page and Climate Change topic page) and blog platforms. The messages in these stories are amplified through social media promotion on Twitter via the World Bank's feeds on Climate Change, Environment and Natural Resources, and Agriculture (@WBGclimate, which has more than 62,000 followers). The most popular story this past year, *"Who are the Barefoot Solar Sisters…and how can they help forest communities?"* focused on gender and REDD+ and had 606 visits.

Output-level indicator 4.1: Examples of activities undertaken at the national level to generate and institutionalize awareness on REDD+ such as through inclusion of REDD+ in curricula in schools and universities

A diversity of activities is carried out by countries to generate awareness, build capacities on REDD+, and incorporate REDD+ in training events, curricula, and other opportunities for learning. Below are some examples from FY16:

In **Burkina Faso**, the government sponsors scholarships for two postgraduate degrees and eight master's degrees related to research on REDD+. Further, seven e-learning modules on REDD+, carbon finance, and related topics have been developed.

In **Cameroon**, 85 staff from the Directorate of Forest Resource Development, the Directorate General of Ecology, and regional directorates involved in forest inventory work received theoretical and practical training on inventory methods. This training provided valuable updating of skills for members of public agencies that have the mandate to carry out such works; however, because of capacity constraints, it has had to rely on private sector actors in the past.

In **Colombia**, community REDD+ dictionaries were developed, translating REDD+ concepts into drawings and symbols. The government is further launching a new media and communications campaign that includes media awareness workshops in five regions, and an art competition.

In **El Salvador**, the government has created a network of students who are expected to support the monitoring of environmental indicators at the local level. Participation in the network entails academic work on climate change and environmental topics, as well as field work on landscape restoration in coordination with the National Coordination Mechanism for Environmental Management.

In **Ethiopia**, the National REDD+ Secretariat, in collaboration with Wondo Genet College of Forestry and Natural Resources, has developed standardized training for foresters and related professionals. Over a period of two years, the college will deliver a 15-day "train the trainers" session for 200 foresters, a five-day training on forest governance for 32 foresters, a seven-day training for 100 public relations officers and journalists, and a five-day training in planning, public speaking, presentation, and negotiation skills for 50 community representatives from pilot regions and sites of the REDD+ program. Thus far, 52 foresters from regional and federal REDD+ implementing institutions have taken train-the-trainers training in two rounds. Within the next year, these trainers are expected to train around 2,000 foresters at the Woreda level. In addition, two universities, Hawassa University (Wondo Genet College of Forestry and Natural Resource) and Haramaya University, have been integrating REDD+ issues into their undergraduate and postgraduate curricula and are expected to roll out courses starting this year. Moreover, various lectures on REDD+ have been given at four universities to create awareness and motivate further reading in the subject.

In **Honduras**, 220 civil servants, of which 68 were women, received capacity building and training on REDD+ and the national policy context, with a focus on the national agroforestry policy. In addition, 68 people (22 women) from academia, 97 owners and managers of forest (26 women), and 26 (5 women) from civil society were trained.

In **Indonesia**, the government organizes an annual REDD+ Day, which convenes a broad range of participants, including from academia, the private sector, and the media.

In **Liberia**, the REDD+ Implementation Unit, in collaboration with the Ministry of Agriculture and national stakeholders, organized and facilitated the second country workshop to strengthen the capacities and knowledge of more than 120 national participants on the national roadmap for achieving "zero net deforestation" in the forestry and agriculture sector related to oil palm, and to agree on a viable framework for sustainable oil palm production in Liberia.

BOX 4: MOVING FROM NATIONAL TO SUB-REGIONAL ARRANGEMENTS

Countries have been steadily advancing their national-level REDD+ readiness and are now moving into REDD+ implementation. With REDD+ implementation typically starting at the subnational level before moving to national scale, this means that countries are focusing on putting in place adequate institutional structures at the regional or other subnational level. Below are a few examples of the efforts underway to strengthen the enabling environment for REDD+ implementation at the local level.

In **Nepal**, REDD+ desks are being established at the district level in a phased manner. In the first phase, 43 districts were provided government financing to establish rudimentary institutional structures for REDD+, mirroring existing structures at the national level. Twenty districts have already established these institutional setups. More robust REDD+ implementation structures are being established in the 12 districts participating in the emission reductions program in the Terai Arc Landscape. In the second phase, the remaining districts will also receive funding to establish their REDD+ structures. The REDD+ strategy envisioned the district-based institutional setup to consist of a three-tiered structure, including: (a) a District Forestry Sector Coordination Committee similar to the Apex Body at the national level, (b) a District REDD+ Working Group functioning similar to the national REDD+ Working Group, and (c) a District REDD+ Program Management Unit as the lead agency to implement emission reductions program activities. The formation of a REDD+ Multi-Stakeholder Forum and Alliances of REDD+ CSO and Indigenous Peoples organizations at the district level will support outreach and consultation, capacity building, and active involvement of local stakeholders in the implementation of REDD+ activities.

Two years ago, **Ethiopia** established the Ministry of Environment and Forest (now renamed as the Ministry of Environment, Forest and Climate Change) to consolidate overlapping mandates at the federal level. Regional states are now taking measures to set up similar institutions. So far, four states (Amhara, Southern Nations, Benishangul-Gumuz, and Somali Region) have established institutions with a combined mandate over forestry and environment, which also host regional REDD+ coordination units and chair regional multisector REDD+ steering committees.

In **Madagascar**, regional REDD+ platforms are being set up building on already existing, yet dormant, regional forestry commissions. These regional platforms are responsible for coordination of regular consultations at the local level, with the support and back-stopping of the national REDD+ coordination. Two regional platforms in Antsinanana and Alaotra Mangoro are now operational and active. Further capacity building will enable them to fulfill their designated roles in REDD+ implementation.

In **Mozambique**, provincial-level REDD+ forums were created in Zambézia and Cabo Delgado. These hold regular meetings, which were initially aimed at building awareness on REDD+ readiness processes. Thematic groups have now been created within these forums to define action plans to address the different drivers of deforestation.

In **Madagascar**, two regional information and awareness-raising workshops were organized in the Alaotra Mangoro region to inform the public about the REDD+ and the benefits of reduced deforestation. As part of related awareness-raising activities, 2,000 flyers were distributed in schools in three regions (Boeny, Alaotra Mangoro, and Atsinanana); 500 brochures on the consequences of climate change, 44 reproductions of forest cover maps, and 44 aerial biomass maps were also distributed. The materials complemented the information and awareness-raising sessions conducted by national REDD+ coordination during climate change information days.

In **Panama**, a campaign to raise awareness on the value of forests and the ecosystem services they provide, as well as on REDD+ (Campaña de Bosques Vivos), was launched by the Ministry of Environment. The campaign is displayed in strategic locations of Panama City (such as the airport, parks, and shopping malls) as an exhibit of pictures of Panama's forest ecosystems, with visual explanations of their value. The concept of REDD+ is also presented in the campaign.

Output 4.2: Participants actively engage in South-South learning activities

Output-level indicator 4.2.a: Number of South-South learning activities and/or events connecting FCPF countries

During July 20–22, 2015, representatives from Brazil, Ethiopia, Gabon, Ghana, India, Liberia, Mozambique, and Zambia participated in a regional workshop on jurisdictional integrated landscape programs, which was organized in Maputo, Mozambique. The objective of the workshop was to build a common understanding on how to design and operationalize sustainable landscape management programs that aim to reduce greenhouse gas emissions. The workshop focused on high-level strategic issues related to program design and implementation, including country political commitments, establishing a program "vision" that integrates with the national development agenda, aligning multiple partners and stakeholders for program delivery, and incentive structures for results-based payments.

On November 8, 2015, a Joint FCPF–UN-REDD Programme Knowledge Exchange Day was held in the context of the UN-REDD Policy Board and FCPF Participants Committee meetings in San Jose, Costa Rica. The event brought together 150 participants and helped to build capacity, foster South-South knowledge exchange, and promote mutual learning as part of the FCPF's objective to disseminate knowledge on REDD+. The Knowledge Exchange Day included eight sessions on: (a) early lessons learned from engaging the private sector in REDD+; (b) progress and challenges on Forest Reference Levels for UNFCCC; (c) carbon stock assessments and monitoring in indigenous territories in Latin America; (d) challenges and opportunities related to the implementation of policies and measures aimed at addressing drivers of deforestation; (e) synergies on land use/REDD+ in countries' INDCs submitted to the UNFCCC and national strategy documents and REDD+ programs; (f) country approaches to REDD+ Safeguards, including REDD+ Safeguard Information Systems; (g) social Inclusion and REDD+; and (h) lessons from MRV system development.

A high-level delegation of Ethiopian government officials relevant to REDD+ proceedings in the country was facilitated to visit Seoul, the Republic of Korea, and its surroundings during March 1–16, 2016, to gain knowledge and skills to enhance the development of the forestry sector, in particular learning from Korea's experience in implementing national-scale forest restoration and conservation initiatives, and sustainably managing and protecting forests.

In FY16, a series of regional workshops to "train the trainers" and disseminate technical forest monitoring learning materials and decision support tools was initiated. Four regional one-week workshops were planned for FY16 and FY17: one in Asia, one in Latin America, and two in Africa. The first of these workshops was held in Bangkok from April 18 to 22, 2016. A selected group of around 40 experts from countries in each region was invited to the workshops, with the aim of subsequently disseminating the gained knowledge and insights and training other relevant people who are involved in REDD+ monitoring and reporting in their countries.

Output-level indicator 4.2.b: Total number of participants in South-South knowledge exchange activities by category

In FY16, the FMT continued its focus on providing targeted,

BOX 5: GETTING THE WORD OUT ON REDD+ IN ETHIOPIA

Ethiopia has employed a variety of innovative and culturally adaptive channels to communicate on REDD+ and reach millions of people through media channels that cover the entire country, including: two radio talk shows (transmitted in five local languages: Amharic, Oromifa, Tigrigna, Afar, and Somali); short radio spots transmitted at peak time in Oromifa; a TV question & answer program on REDD+ and related issues; radio and TV interviews about climate change, REDD+, and forests; and SMS text messages to about 12 million mobile phone clients.

In addition, the government has used print media, including: about 7,000 copies of REDD+ brochures in Amharic, Afan Oromo, and English; 1,000 booklets; 2,500 notebooks; 1,000 pens; 100 REDD+ logo stickers; 2,500 new year postcards; 2,500 wall calendars; 9,782 T-shirts; 9,550 caps; and 230 key holders, all with the REDD+ logo and message. These have been prepared and distributed at various national- and local-level REDD+ awareness events.

BOX 6: DOUBLING DOWN ON COMMUNICATING REDD+ IN GHANA

In Ghana, the government spearheaded an inclusive approach to communication, employing a number of communication channels, including the media (radio, TV, and printed media), websites, print media (flyers/brochures), and public events. The key achievements made to date include the following:

- Use of several TV and radio shows to sensitize the public on REDD+ and climate change.
- Dissemination of the REDD+ Digest, a document that seeks to demystify REDD+ terms and concepts.
- Organization of a REDD+ roadshow in 2014 in four administrative regions of Ghana to educate local communities on the impacts of climate change and the role of REDD+ in mitigating climate change.
- Launch of the "REDD Eye" Campaign in November 2015 (a program to enhance awareness among the youth of Ghana on the need to address deforestation and forest degradation).
- Organization of the National REDD+ Forum in November 2015 to galvanize high-level political as well as public support for actions addressing the drivers of deforestation and forest degradation. The event attracted key high-profile stakeholders, and the keynote address was delivered by the former President, H.E. John Agyekum Kufuor, a United Nations Special Envoy on Climate Change. Other speakers at the event included the World Bank Country Director and the President of the National House of Chiefs, among others.
- Implementation of the Communications Strategy, and development and implementation of a supplemental plan for high-level engagement targeting private sector and state actors. This plan is targeted specifically at building support within the government and the business community for the emission reductions program for the cocoa-forest mosaic landscape in Ghana's High Forest Zone.

country-tailored support, training, and capacity building, focusing in particular on R-Packages and emission reductions program development. An increased knowledge and communications budget approved for FY17 responds to increased interest in South-South exchanges and peer-to-peer study tours.

Output 4.3: Strong visibility of REDD+ and FCPF is achieved

Output-level indicator 4.3.a. Number of neutral/positive mentions of FCPF and REDD+ issues in different key media worldwide per period

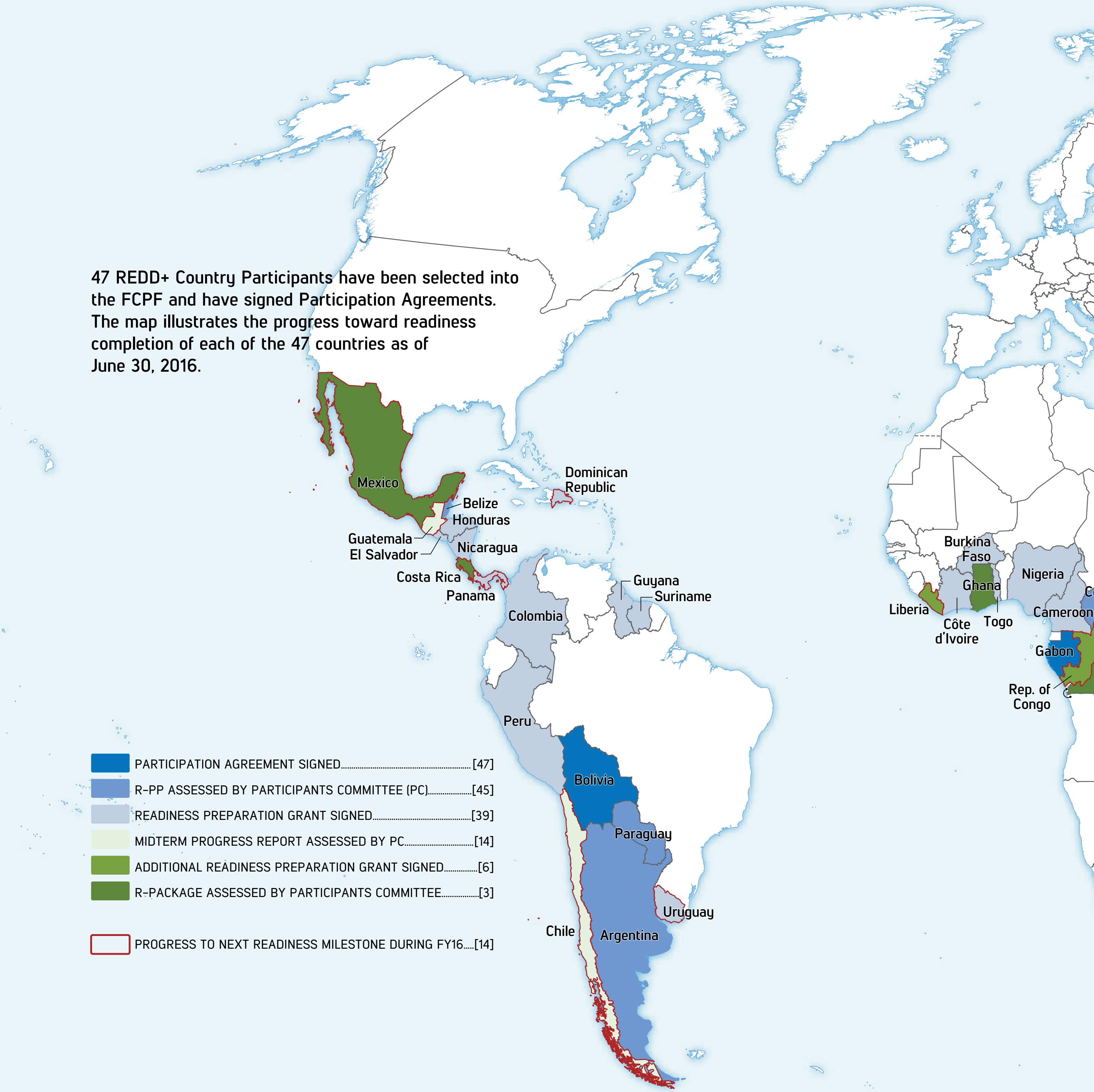
In FY16, mentions of the FCPF in the media remained consistent or may have slightly increased. Media focus on the FCPF resulted from events and communication efforts around the COP21 in Paris, and from interest in an increasing diversity of countries and emission reductions programs under development in the Carbon Fund. Further, there has been high interest in emerging engagement and partnership with the private sector.

Output-level indicator 4.3.b: Number of negative mentions of FCPF and REDD+ issues in key media worldwide per year

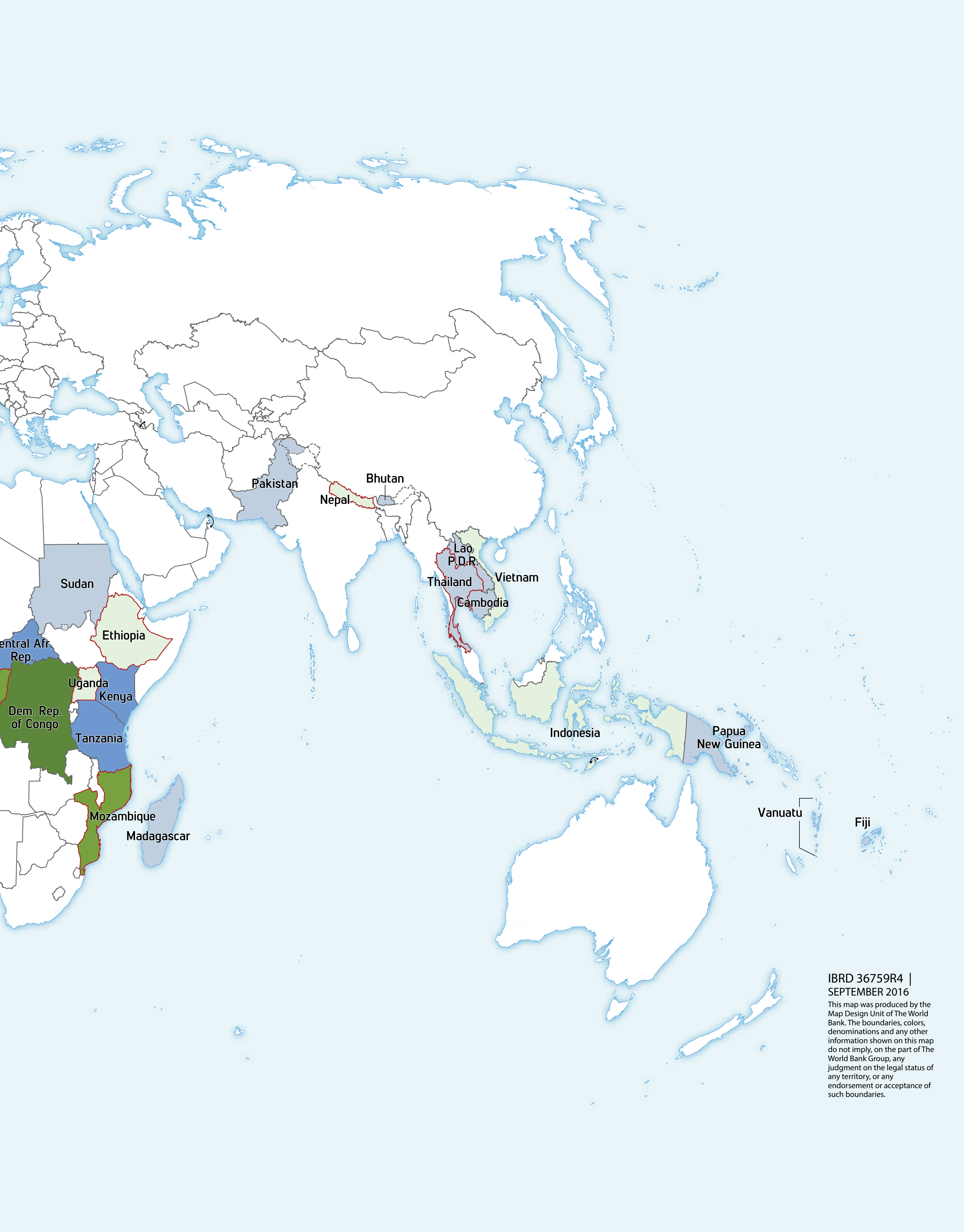
Critical mentions of the FCPF and REDD+ issues in international media worldwide have remained fairly low but consistent. Negative mentions mainly relate to safeguard requirements for future emission reductions programs, including criticisms of the World Bank's new safeguards framework, as well as concerns about requirements for land tenure and carbon rights. In FY16, critical environmental NGOs published reports focusing on potential or perceived issues and risks related to proposed emission reductions programs in Africa. The FCPF Secretariat or the World Bank as the trustee responded to inconsistencies between FCPF activities and media reports when deemed necessary.

FCPF REDD+ COUNTRY PARTICIPANTS

47 REDD+ Country Participants have been selected into the FCPF and have signed Participation Agreements. The map illustrates the progress toward readiness completion of each of the 47 countries as of June 30, 2016.



- PARTICIPATION AGREEMENT SIGNED .... [47]
- R-PP ASSESSED BY PARTICIPANTS COMMITTEE (PC) .... [45]
- READINESS PREPARATION GRANT SIGNED .... [39]
- MIDTERM PROGRESS REPORT ASSESSED BY PC .... [14]
- ADDITIONAL READINESS PREPARATION GRANT SIGNED .... [6]
- R-PACKAGE ASSESSED BY PARTICIPANTS COMMITTEE .... [3]
- PROGRESS TO NEXT READINESS MILESTONE DURING FY16 .... [14]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Uganda
Kenya
Dem. Rep.
of Congo
Tanzania
Indonesia
Papua
New Guinea
Mozambique
Madagascar
Vanuatu
Fiji
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Coordination

REDD+ has a challenging agenda given its multi-sectoral and multi-stakeholder dimensions, and the large financial and capacity needs involved. It is important, therefore, that development partners come together to provide packages of financial and technical assistance to better serve country needs.

UUN-REDD Programme

In FY16, the FCPF and the UN-REDD Programme continued their cooperation in providing assistance to countries to get ready for REDD+. Coordination has entailed joint country missions and sharing responsibility for financing readiness activities. At the global level, coordination between the FCPF and the UN-REDD Programme involved joint scheduling of governance body meetings, and the coordination of analytical and capacity-building efforts. In FY16, several knowledge activities were planned and carried out jointly. Further, a joint Knowledge Day was organized in conjunction with the UN-REDD Policy Board and FCPF Participants Committee meeting in San Jose, Costa Rica, in November 2015. The joint Knowledge Day brought together 150 stakeholders from both initiatives to share experiences made during REDD+ readiness on topics ranging from carbon accounting to social inclusion.

Forest Investment Program

The Forest Investment Program (FIP) supports developing countries' efforts to reduce deforestation and forest degradation (REDD+) and promotes sustainable forest management. This leads to emission reductions and helps make forests a central component of low-carbon development. It also contributes to other benefits, such as biodiversity conservation, poverty reduction, and protection of the rights of Indigenous Peoples and local communities. The FIP focuses on sizable investments in 23 countries to empower them to address the drivers of deforestation and forest degradation inside and outside the forest sector, to achieve the triple win of being good for forests, good for development, and good for the climate.

The FIP is engaging with other REDD+ financing instruments (FCPF, Bio Carbon Fund) and multilateral and bilateral funds, to seek co-financing opportunities for FIP investments. Potential opportunities are also explored with funds providing financial resources for various phases of REDD+ to maintain the sustainability of the FIP results, for example, with results-based financing instruments. Twelve FIP pilot countries (Burkina Faso, Côte d'Ivoire, the Democratic Republic of Congo, Ghana, Guatemala, Indonesia, Lao PDR, Mexico, Mozambique, Nepal, Peru, and the Republic of Congo) have made significant strides in linking FIP-supported activities with performance-based mechanism activities, such as the FCPF Carbon Fund and international payments for environmental services schemes. Each country is at a different stage in developing REDD+ programs; some having signed LOIs with the Carbon Fund, and others have presented ER-PINs. There are opportunities for further collaboration between the FIP countries that participate in the FCPF Readiness Fund (UN-REDD Programme and/or FCPF Readiness Fund). For example, Burkina Faso has developed its R-PP for the FCPF Readiness Fund and FIP investment plan in parallel. Burkina Faso had previously developed several successful pilot projects on forest conservation. The country's FIP strategy focuses on reducing deforestation through improved governance, local socioeconomic development, and sustainable management of forest resources and wooded areas.

BioCarbon Fund

The BioCarbon Fund (BioCF) is a public-private sector initiative, operational since 2004, that pioneers projects that sequester or conserve carbon in forest- and agro-ecosystems, mitigating climate change and improving livelihoods. As the first carbon fund to focus on land use, the BioCF has demonstrated that land-based activities can generate high-quality emission reductions at the project scale with strong environmental and socioeconomic benefits for local communities. In the first-generation trust funds, about 80 percent of the BioCF's resources were earmarked for afforestation and reforestation projects under the Clean Development Mechanism; the remainder was allocated to REDD+ and sustainable agricultural land management activities. The BioCF delivered 80-90 percent of the carbon assets to its participants. Most of the carbon assets will be used to meet compliance targets under the UNFCCC's Kyoto Protocol, the first commitment period of which ended in 2012. Projects continue to generate emission reductions and are gearing up for delivery of carbon assets at the end of the second commitment period in 2017.

Leveraging lessons and experience from a successful track record on project-based carbon finance in the land-use sector, the BioCF embarked on a new initiative in FY14, the Initiative for Sustainable Forest Landscapes (ISFL). The ISFL builds on the BioCF's experience from more than 10 years of successful project-based carbon finance in the land use sector. The ISFL is a multilateral facility that promotes and rewards reduced greenhouse gas emissions and increased sequestration through better land management, including REDD+, climate smart agriculture, and smarter land use planning and policies. The ISFL will achieve its objective of greenhouse gas emission reductions—and provide additional benefits of livelihood improvements and sustainable land use—through four key pillars: (a) a jurisdictional landscape approach, (b) engagement with the private sector, (c) results-based finance, and (d) a streamlined approach to implementation.

The initiative will build a portfolio of jurisdictional programs spread across diverse geographies that have significant impact, and transform rural areas by protecting forests, restoring degraded lands, enhancing agricultural productivity, and improving livelihoods and local environments. The ISFL has identified, selected, and opened jurisdictional windows as part of its portfolio in Colombia (Orinoquía region), Ethiopia (Oromia), and Zambia (Eastern Province).

REDD+ Partnership

During FY16, the FMT served as Secretariat to close the REDD+ Partnership (as agreed in December 2015) and continued the Internet-based Voluntary REDD+ Database to collect and publish transparent data on international public funding for REDD+. The FMT, as Secretariat of the REDD+ Partnership, also implemented actions on capacity building as agreed by the REDD+ Partnership in November 2015. The capacity-building work program includes the Voluntary REDD+ Database as a key provider of information to the global community on REDD+ financing actions and results. Data on REDD+ financing has been collected annually and subsequently analyzed at the Food and Agriculture Organization (FAO) of the United Nations (under contract with REDD+ Partnership). The database is updated on an ongoing basis and is in the fifth round of data collection. Completed outputs include (a) a survey carried out by the FAO to design and update the new web prototype; (b) technical and financial support to the Forum of the Standing Committee on Finance meeting, September 8–9, 2015, in Durban; and (c) a workshop series covering Asia, Francophone Africa, Anglophone Africa, and Latin America and the Caribbean on capacity building for Forest Reference Levels, organized by FCPF and co-funded by the REDD+ Partnership, FAO, and Wageningen University.

$25.4 million
in grants disbursed during FY16...

...representing an increase of more than
55%

New Grant Agreements totaling
$35.2 million
were signed.

Issues and Challenges

5

Progress has been made to address previously identified issues and challenges. The Facility Management Team (FMT) will continue its efforts to monitor and address challenges with further follow-up action in FY17.

5.1. Disbursements

In FY16, the disbursements continued to grow. The $25.4 million in grants disbursed in FY16,[7] represented an increase of more than 55 percent compared to the previous year. In addition, new Grant Agreements totaling $35.2 million were signed in FY16, making more funds available to countries. The Participants Committee further allocated new grants with a combined worth of $23.8 million. This progress is expected to further increase disbursement in the coming year.

However, several countries also experienced delay with either the World Bank internal approvals or in-country approvals. As a result, the FMT introduced more detailed portfolio monitoring, including exception reporting to the Participants Committee. Consequently, a number of delays were resolved. As the Readiness Fund comes into the final years, close monitoring will be required in order to manage funds.

5.2. Country Reporting

Country progress reporting continued to improve in FY16 as an increasing number of countries is reaching either the mid-term or final readiness stage. With the systematic use of the Readiness Assessment Framework for the purpose of preparing MTRs or R-Packages, the quality of country progress reporting has increased considerably.

However, the quality of annual progress updates continues to vary widely. Not all countries have a robust M&E Framework upon which they can keep track of activities and results, as well as identify and address gaps. Consequently, progress from some countries is not yet as thorough and outcome oriented as it could be. In FY16, 10 countries had also not submitted annual country progress reports by the print deadline for this year's FCPF Annual Report.

Meanwhile, the independent evaluation of the FCPF carried out in FY16 provided an opportunity to review the FCPF's M&E Framework and consider the relevance of all criteria and indicators in the current M&E Framework of the FCPF.

[7] This does not include grant disbursements through Delivery Partners other than the World Bank. Total disbursements to Delivery Partners other than the World Bank for onward disbursement to countries were $3.8 million in FY16.

5.3. Leveraging Investment Finance

Payments for verified emission reductions from REDD+, like all results-based finance, do not provide for investment finance. Countries are therefore increasingly focusing on identifying and aligning various streams of investment finance from public, bilateral, and other multilateral sources to cover program implementation cost.

The World Bank's Forest Action Plan was launched in 2016 and provides a strategic vision to mobilize additional finance for the forest agenda. It stipulates a programmatic approach to better deliver World Bank finance, but also finance from external sources—such as the Green Climate Fund and the private sector—to client countries.

The review of the first two ERPDs in FY16 also placed emphasis on a sound financial plan in support of emission reductions program design and implementation to ensure the financial viability of the proposed emission reductions program. To this end, the FCPF REDD+ Cost Elements Assessment Tool, an excel spreadsheet template designed to quantify costs (institutional, implementation, transactional, and opportunity costs) and revenues of an emission reductions program, has been a helpful tool that can facilitate quantification of an emission reductions program. The resulting cost-benefit analysis clarifies the financial and economic soundness of an emission reductions program.

The focus on improving the financial viability of emission reductions programs has highlighted the need to also consider innovative alternatives to channel funds, such as through bonds, guarantees, other forms of concessional finance, payments for environment services and other sources. Discussions with public and private financial institutions in a country can facilitate identification of alternative financing sources relevant to a program context.

It should be noted that the financial analysis focuses attention on the performance of investment purely from the perspective of the implementation entity, but does not consider the multiple social benefits of emission reductions programs, that only an economic analysis reflects.

5.4. Operationalizing Private Sector Engagement

In FY16, the FCPF continued to strengthen engagement with the private sector with a view to facilitating public-private partnerships with companies that produce, trade, or buy commodities driving deforestation. In a number of countries, these partnerships continue to be strengthened and are starting to define program design while also offering the prospect of scaled up investment finance. However, in other countries, company commitments made for deforestation-free supply chains does not yet translate into concrete action for operational commitments at the program level. In this context, the FCPF's engagement will need to be broadened, something that is also noted in the second independent evaluation report.

Forest Carbon Partnership Fund

supports countries efforts to achieve emission reductions from deforestation and/or forest degradation, and to benefit from possible future systems of positive incentives for REDD+.

Interest of donors in performance-based payment schemes has been high in the reporting period.

Monitoring of Assumptions and Risk

6

The following presents a snapshot of the assumptions identified in the M&E Framework Log Frame against key impacts, outcomes and outputs, the level of risk associated with these assumptions, and the proposed mitigation measure as relevant. An assumption in most cases indicates areas/circumstances that are beyond the control of the governance framework of the FCPF.

However, tracking assumptions is important to gauge unforeseen consequences in case the assumptions did not hold true. Reference to the impact, outcome, and output where the assumption was referenced in the Log Frame of the M&E Framework is included in the first column of the table.

Level at which assumption is referred to in the Log Frame	Original assumptions from the Log Frame	Current level of risk	Explanation of risk rating	Mitigation measure proposed
Impact 1.1 Outcome 1 Output 2.3 Outcome 3 Outcome 4 Output 4.3	Global climate change negotiations under UNFCCC remain supportive.	N/A	Technical aspects on REDD+ have been agreed on and REDD+ is included in the new climate agreement.	No mitigation measure is required at this stage.
Outcome 1 Outcome 3 Outcome 4	The incentives provided by REDD+ schemes are sufficient.	Low	The risk relates to incentives for countries to advance to the Readiness Package, stakeholder engagement, and knowledge dissemination of experiences. Sufficient resources are available to countries through the FCPF and other bilateral and multilateral resources to advance to the R-Package, while maintaining adequate levels of stakeholder engagement.	No mitigation measure is required at this stage.
Outcome 1	For purposes of the Readiness Fund, submission of the R-Package by REDD+ Participants is voluntary.	N/A	–	The assumption does not require monitoring.
Outcome 1	There are no extraordinary circumstances in the country that prevent submission of Readiness Packages.	Low	At the portfolio level, only a small percentage of countries have socio-political circumstances that could slow submission of the R-Package.	No mitigation measure is required at this stage at the portfolio level.

Level at which assumption is referred to in the Log Frame	Original assumptions from the Log Frame	Current level of risk	Explanation of risk rating	Mitigation measure proposed
Output 1.2	Plans and targets were realistically assessed by technical experts before approval in view of existing baseline capacities and participant countries' contexts.	Low	R-PPs of all 45 active countries have been assessed by the Participants Committee. At the portfolio level, signing of Grant Agreements has increased with a total of 39 signed grants. It is expected that all grants will be signed by the end of FY17, with the exception of special circumstances.	Delivery Partners are actively supervising implementation of signed Grant Agreements.
Output 1.3	The political and socioeconomic context in the Participant Countries remains stable enough over the implementation period so that the capacity built remains in place.	Low	The overall risk at the portfolio level associated with the political and socioeconomic context for readiness implementation remains low.	The diversity of REDD+ countries in the portfolio is a built-in mitigation measure.
Outcome 2	Interest in performance-based payments remains high enough.	Low	The interest of donors in performance-based payment schemes has been high in the reporting period. Interest in performance-based payments by REDD+ countries is evident from the increased submission of ER-PINs to the Carbon Fund in the reporting period.	The risk will be monitored continuously in the forthcoming periods.
Output 2.2	A large enough number of countries have the capacity to meet all standards and FCPF/Delivery Partner administrative processes do not put undue burden on the operation of the Carbon Fund.	Low/ Medium	In FY16, the first two countries have been provisionally selected into the Carbon Fund portfolio.	Piloting of the Methodological Framework in the first few REDD+ countries showed country capacity to meet the standards.
Output 2.4	Five REDD+ countries have signed ERPAs by 2015.	High	The successful selection of ERPDs will indicate the timelines for ERPA signing and program implementation. The first ERPA will be signed at the beginning of FY18 at the earliest. This indicator will be monitored closely in FY17.	The business process is clear and realistic. Two ERPDs have been selected into the Carbon Fund portfolio in FY16 and will proceed to ERPA negotiations next.
Output 3.1	Relevant guidelines in the Common Approach are followed and processes such as SESA are actually implemented in countries, providing for a receptive environment.	Low	The SESA process has been rolled out as part of readiness implementation in most countries.	At the portfolio level, progress has been made on social inclusion in REDD+ and SESA implementation.

Level at which assumption is referred to in the Log Frame	Original assumptions from the Log Frame	Current level of risk	Explanation of risk rating	Mitigation measure proposed
Output 4.2	Events managed directly by countries (not organized by FMT itself) are timely and effectively planned to feed into the process of learning and involve key stakeholders.	Low	There is diversity in the FCPF portfolio on how events are managed at the country level. Countries have demonstrated increased interest and capacity to self-organize to exchange among themselves.	Countries continue to enhance communication and stakeholder engagement capacity through readiness grants and other bilateral sources.

At the end of FY16 over

$1.1 billion

in funds were pledged and committed...

nearly

$370 million

committed to the Readiness Fund...

and

$750 million

committed and pledged to the Carbon Fund

Information based on country reporting and may not be exhaustive.

FY16 Financial Report of the Facility

7

The value of grant allocations to REDD+ Countries at the end of FY16 was about $235 million whilst signed grant agreements represent firm commitments of over $178 million.

7.1. Financial Overview of the Facility

Committed funds to the Readiness Fund and the Carbon Fund of the FCPF at the end of FY16 total more than $1.1 billion, with almost $370 million committed to the Readiness Fund and $750 million committed and pledged to the Carbon Fund (see tables 6 and 12). Both funds are well-resourced, with committed funding more than adequately covering *current* funding needs.

Fund balances at the end of FY16 total $913 million, made up of $238 million in the Readiness Fund and $675 million in the Carbon Fund, with cash balances of $193 million in the Readiness Fund and $417 million in the Carbon Fund (see tables 5 and 11).

The value of grant allocations to REDD+ countries at the end of FY16 was $235 million (table 10) whilst signed grant agreements represent firm commitments of over $178 million. Grant disbursements from the Readiness Fund have continued to accelerate such that at the end of FY16 they were $90 million, including transfers to Delivery Partners other than the World Bank, for onward transfer to REDD+ countries of $30 million (table 5). Growth in grants disbursed, from $61 million (in FY15) to $90 million (in FY16), represents an increase of almost 50 percent of the cumulative grant disbursement figure in a fiscal year.

7.2. Readiness Fund

7.2.1. Fund Balance

Table 5 shows the summary financial statement for the Readiness Fund from the opening of the fund to the end of FY16. The Readiness Fund balance at the end of FY16 is a healthy $238 million, with a cash balance of $193 million. The difference of $45 million is represented by outstanding contributions from the European Commission ($1 million) and Norway ($44 million) as shown in table 6.

Total donor contributions received to date are $324 million. Investment income of $13 million brings the total receipts to date to nearly $337 million. Total disbursements to the end of FY16 are nearly $144 million, and consist of $54 million in cash disbursements, $60 million in grants to REDD+ countries, and $30 million in disbursements to Delivery Partners for Readiness Preparation Grants to countries.

Total new funds into the account during FY16 amounted to about $3 million, made up of investment income of $3 million earned on the account balance. Total disbursements on a cash basis during FY16 were $37 million, made up of cash expenditures of $8 million, grant disbursements of approximately $25 million, and disbursements to Delivery Partners for grants of $3.8 million..

7.2.2. Funding Sources

a) Donor Contributions

Table 6 presents the committed contributions to the Readiness Fund as of the end of FY16. Total contributions of $369 million at the end of FY16 compared to a total of $373 million at the end of FY15. Unfavorable exchange rates affecting outstanding contributions account for the slight decrease.

There are outstanding contributions of $45.2 million from existing signed agreements to be paid by Norway ($44.1 million) and the European Commission ($1.1 million) into the Readiness Fund in the coming years. These outstanding contributions represent agreed phased contributions spread over a number of years.

b) Investment Income

Table 5 shows investment income figures over the life of the fund. Amounts paid into the trust fund, but not yet disbursed (the fund balance), are managed by the International Bank for Reconstruction and Development (IBRD), which maintains a pooled investment portfolio (the Pool) for all of the trust funds administered by the World Bank Group. Because all Participation Agreements with Carbon Fund Participants indicate that any interest generated by prepaid contributions shall be channeled to the Readiness Fund, the Readiness Fund receives an allocated share of investment income from this Pool, which consists of interest for both the Readiness Fund and the Carbon Fund. The total investment income deposited into the Readiness Fund (on the Readiness and Carbon Fund balance) up to the end of FY16 was $13 million.

Table 5: FCPF Readiness Fund Summary Financial Statement FY16 ($, thousands)

Description	Total	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Beginning Balance		**226,801**	**224,870**	**195,830**	**189,999**	**165,804**	**77,695**	**50,945**	
Donor Contributions	323,631		27,014	54,004	30,009	31,538	94,880	32,290	53,895
Investment Income	10,983	3,094	2,008	1,960	897	924	732	821	547
Investment Income (transferred from the Carbon Fund)	2,023			2,023					
Total Receipts	**336,637**	**3,094**	**29,022**	**57,987**	**30,906**	**32,462**	**95,612**	**33,111**	**54,442**
Cash Disbursements	53,651	7,909	6,914	9,373	8,752	5,383	6,421	5,402	3,497
Grant Disbursements*	59,819	25,419	16,379	8,173	4,923	2,884	1,082	959	
Disbursements to the DPs for Grants	30,400	3,800	3,800	11,400	11,400				
Total Disbursements	**143,869**	**37,128**	**27,093**	**28,946**	**25,075**	**8,267**	**7,503**	**6,361**	**3,497**
Fund Balance (cash)	**192,768**	**192,767**	**226,801**	**224,870**	**195,830**	**189,999**	**165,804**	**77,695**	**50,945**
plus Outstanding Contributions	**45,246**								
Fund Balance	**238,014**								

*Includes $599.694 of Bank-executed grant disbursements.

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Table 6: FCPF Readiness Fund Donor Contributions as of end of FY16 ($, thousands)

Participant Name	Total	Outstanding*	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Australia	23,892						6,330	7,997		9,565
Canada	41,360							41,360		
Denmark	5,800								5,800	
European Commission	5,162	1,110			1,364		2,688			
Finland	23,196			3,230		5,261	5,749			8,956
France	10,340						5,136		592	4,612
Germany	76,766			23,784	13,913	13,113		25,956		
Italy	5,000							5,000		
Japan	14,000						4,000		5,000	5,000
Netherlands	20,270					7,635	7,635			5,000
Norway	113,062	44,136			38,727			8,801	16,398	5,000
Spain	7,048									7,048
Switzerland	8,214									8,214
United Kingdom	5,766							5,766		
United States of America	9,000					4,000			4,500	500
Committed Funding	**368,877**	**45,246**		**27,014**	**54,004**	**30,009**	**31,538**	**94,880**	**32,290**	**53,895**

*Amounts may vary due to exchange rate fluctuations.

7.2.3. Funding Uses

a) Cash Disbursements

Cash disbursements represent all non-grant disbursements, and total $53.7 million from the opening of the fund to the end of FY16. Table 7 shows the annual expenditures by activity, and table 8 compares the approved budget with the actual expenditures by activity for FY16.

As the FCPF continues progress on grant implementation, annual expenditures have predictably increased in areas with a focus on country support. This shows strongly in the Country Implementation Support activities. Total cash disbursements for these country-focused activities over the lifetime of the fund represent around 70 percent of cash disbursements, whilst administrative costs represent five percent of total cash disbursements. Combined, the cash disbursements for these country-focused activities amount to $41 million, with grant disbursements of $60 million and disbursements to Delivery Partners for grants of $30 million. These country-focused disbursements represent 91 percent of total disbursements of $144 million. Administrative and Secretariat costs include the cost of all Participants Committee and Participants Assembly meetings, including travel costs for REDD+ Country Participants and some observers. Over the lifetime of the fund, these costs amount to $15 million, representing just ten percent of total disbursements of $144 million, whilst administrative costs alone representing just two percent of total disbursements. Refer to tables 5 and 7 for details.

The FY16 budget for the Readiness Fund, net of Shared Costs, of $7.2 million compares to the total Readiness Fund expenditures for the year of $7.9 million (see table 8). The fiscal year therefore closed with spending at 109 percent of budget and overspending of over $683,000.

Expenditures on Readiness Trust Fund Administration costs were 81 percent of budget. These administrative costs reflect the work of all World Bank staff involved in fund management, contributions management, accounting, specific legal operations related to the Facility as a whole, and other services required by the Readiness Fund Trustee, including making the arrangements for the Monitoring and Evaluation Framework for the FCPF. These expenses are lower than anticipated due to institution-wide decisions to centralize (and pay for) many administrative tasks that were originally covered by the Facility budget.

FCPF Secretariat expenses were $1.4 million, or 83 percent of the activity budget of $1.7 million. Expenditures included the standard costs for program management, organization of the annual Participants Assembly and Participants Committee meetings, and travel costs for REDD+ countries and some observers to those meetings. FCPF Secretariat costs include the costs of hosting and maintaining the FCPF website, communications to FCPF stakeholders, and translation of FCPF materials. The main contributing factor for the $285,000 underrun is the 2015 evaluation which will not be paid until FY17. Fewer than anticipated large technical documents (R-Packages) also kept spending on translation low.

With the budget for REDD Methodology Support activities set at $975,000 for FY16, and total expenditures at $843,000, spending was 86 percent of FY16 plans. Costs reflect the low TAP expenses (consulting contracts, travel, and meeting costs), again due to fewer than anticipated R-Packages coming to the Participants Committee requiring review. The underspending of $132,000 is also because there were delays in the REDD+ Program Cost Assessment work, which will be completed in FY17.

The expenses recorded for Country Advisory Services came to about $1.6 million, or about 113 percent of the $1.4 million originally budgeted in FY16. The team carried out substantial work supporting five countries in their submission of MTRs, potentially unlocking additional grant funds of up to $5 million each for work on Readiness. Continued progress was also seen in the form of four countries signing $3.8 million Readiness Preparation Grants (Dominican Republic,

Table 7: FCPF Readiness Fund Cash Disbursements ($, thousands)

Activity	% of Total	Total	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Readiness Trust Fund Administration	5%	2,952	269	327	397	404	356	366	362	471
FCPF Secretariat	20%	11,989	1,434	1,299	1,515	1,690	2,056	1,685	1,321	989
REDD Methodology Support	18%	10,565	843	1,071	1,796	1,842	999	1,921	1,266	827
Country Advisory Services	18%	10,817	1,632	1,881	2,342	1,750	1,073	545	793	801
Country Implementation Support	33%	19,568	4,275	2,676	3,730	3,213	1,701	1,904	1,660	409
IP and CSO Program	5%	2,840	253	480	751	1,089	267			
Total Readiness Fund (including Carbon Fund Shared Costs)		58,731	8,705	7,735	10,532	9,988	6,452	6,421	5,402	3,497
Less Carbon Fund Shared Costs		(5,082)	(797)	(821)	(1,159)	(1,236)	(1,069)			
Total Readiness Fund	**100%**	**53,651**	**7,909**	**6,914**	**9,373**	**8,752**	**5,383**	**6,421**	**5,402**	**3,497**

Table 8: FCPF Readiness Fund Cash Disbursements for FY16 ($, thousands)

Activity	Budget	Actual Expense	Variance	Expense Rate (%)
Readiness Trust Fund Administration	331	269	62	81
FCPF Secretariat	1,719	1,434	285	83
REDD Methodology Support	975	843	132	86
Country Advisory Services	1,445	1,632	(187)	113
Country Implementation Support	3,215	4,275	(1,060)	133
IP and CSO Capicity Building Program	483	253	230	52
Total Readiness Fund (including Carbon Fund Shared Costs)	8,168	8,705	(537)	107
Less Carbon Fund Shared Costs	(943)	(797)	(146)	85
Total Readiness Fund	**7,226**	**7,909**	**(683)**	**109**

Panama, Thailand and Uruguay) and three countries (Liberia, Mozambique and the Republic of Congo) signing grants for additional funding of up to $5 million in FY16. The majority of these costs came from the FMT, forestry, and social development staff advice, and guidance to REDD+ countries on their programs. Expenditures in FY16 also included specific work on SESA and ESMF Risk Management.

Costs for Country Implementation Support totaled $4.3 million, or 133 percent of the planned budget. This spending covers the direct assistance of Delivery Partner country teams to REDD+ countries, including technical assistance, grant supervision, and assessments provided to the Participants Committee. This expense category was overrun because of unanticipated requests to replenish the implementation budgets for both IDB and UNDP. The unanticipated outlays amounted to almost $1.3 million ($750,000 and $539,000 for IDB and UNDP, respectively).

The Indigenous Peoples/CSO Capacity Building Program, including grants, has historically been included in the operating budget. However, this inclusion means the operating budget is very dependent on the outflow of grants that typically should be accounted for elsewhere along with other recipient executed activities, such as the Readiness Grant disbursements to countries. As shared at PC21, this report also separates the grants from the real operating budget to better reflect the true operating budget. Only half of the budget set aside for administration of the Indigenous Peoples/CSO grants was used in FY16. The remainder will be carried over into FY17.

b) Shared Costs

As part of the approval of the Readiness Fund budget, the FCPF Charter indicates that the Participants Committee shall make decisions on all Shared Costs for activities that cut across and benefit both the Readiness Fund and the Carbon Fund. In practice, Shared Costs have typically included FCPF Secretariat and REDD+ Methodology Support activities, such as the costs of travel and expenses for REDD+ countries to attend the Participants Assembly and Participants Committee meetings and the work of the TAPs.

Pursuant to the Charter, the Readiness Fund pays 65 percent and the Carbon Fund pays 35 percent of Shared Costs, unless the Participants Committee decides otherwise. The Participants Committee approved resolutions waiving cost sharing through the end of FY11 (to reflect the fact that the Carbon Fund was only fully operational as of May 2011) and paying 100 percent of the Shared Costs from the Readiness Fund. In addition, the Participants Committee agreed that cost sharing at the 65/35 level would commence from FY12 onward. However, there is an important caveat in Resolution PC/8/2011/8 approved in March 2011, in that the Participants Committee agreed to a lifetime cap of $12 million on the Shared Costs that it will charge to the Carbon Fund. This resolution responded to the concerns of several existing and potential Carbon Fund Participants that an upward limit be placed on such costs given that the Participants Committee otherwise makes all decisions regarding their composition and annual approvals.

Shared Costs transferred to the Carbon Fund for FY16 were below budget at $0.8 million. Shared Costs over the lifetime of the Facility up to the end of FY16 are on track to remain well under the lifetime cap of $12 million as they currently stand at $5.1 million (see tables 7 and 8).

c) Grant Disbursements

An important aspect of the Readiness Fund is that it makes available grant funding to countries—the initial grants are now up to $3.8 million per REDD+ country—in support of country-led readiness work. The REDD+ countries manage and utilize the grants for REDD+ activities and expenses. These are counted as disbursements in World Bank financial statements only after the REDD+ country completes reimbursement from the grant resources. By the end of FY16, 36 Readiness Preparation Grants were disbursing—a nearly 40 percent increase on the figure at end FY15. Signed Formulation, Readiness Preparation, and Additional Funding (of up to $5 million) grant agreements represent firm commitments of over $178 million.

Grant disbursements from the Readiness Fund have accelerated as predicted, and at the end of FY16 were $90 million, including transfers to Delivery Partners other than the World Bank for onward transfer to REDD+ countries of $30 million (see table 5).

Grant disbursements, excluding those through Delivery Partners other than the World Bank, total around $60 million at the end of FY16, a continued exponential increase on previous years. Grants disbursed during FY16 were $25.4 million, representing an increase of 55 percent over the previous year. Of the total grant disbursements to date of approximately $60 million, more than $36 million have been made in Africa. The details of the grant disbursements are provided in table 9.

In addition, disbursements to Delivery Partners for grants

Table 9: FCPF Readiness Fund Grant Disbursements ($, thousands)

Description	Balance	Grant	Total	FY16	FY15	FY14	FY13	FY12	FY11	FY10
AFRICA										
Burkina Faso	3,556	3,800	245	245						
Cameroon	2,237	3,800	1,563	516	476	379	134	3	55	
Côte d'Ivoire	1,840	3,800	1,960	1,232	728					
The Democratic Republic of Congo	1,243	8,800	7,557	1,825	2,202	1,161	1,381	797	14	177
Ethiopia	1	3,800	3,799	2,247	694	258	400		100	100
Ghana	3,174	8,800	5,626	2,240	1,204	1,270	312	400		200
Kenya		170	170						170	
Liberia	5,653	8,800	3,147	1,689	682	289	305		107	75
Madagascar	2,917	3,800	883	883						
Mozambique	5,000	8,800	3,800	1,950	851	911	87			
Nigeria	3,300	3,800	500	500						
Republic of Congo	4,681	8,800	4,119	1,582	1,244	481	237	381	108	87
Sudan	3,246	3,800	554	554						
Togo	3,179	3,800	621	277	344					
Uganda	Closed	3,800	2,144	644	1,334			(14)	140	40
AFRICA subtotal	40,026	78,370	36,688	16,384	9,759	4,749	2,856	1,567	694	679
LATIN AMERICA & CARIBBEAN										
Chile	2,226	3,800	1,574	1,274	300					
Colombia	Closed	3,800	600	400				66	134	
Costa Rica	622	3,800	3,178	732	1,431	479	375		22	139
Dominican Republic	3,320	3,800	480	480						
El Salvador	3,099	3,800	701	509		42	98	52		
Mexico	7,116	8,800	1,684	1,019	665					
Nicaragua	1,774	3,800	2,026	1,016	431	378	77	123		
LATIN AMERICA & CARIBBEAN subtotal	18,158	31,600	10,242	5,430	2,827	899	550	241	156	139
EAST ASIA & PACIFIC										
Fiji	3,513	3,800	287	287						
Indonesia	356	3,800	3,444	279	167	1,233	1,247	518		
Lao PDR	2,664	3,800	1,136	658	305				123	50
Thailand	Closed	200	200				163	37		
Vanuatu	3,311	3,800	489	177	186		106	21		
Vietnam	1,159	3,800	2,641	1,055	1,085	501				
EAST ASIA & PACIFIC subtotal	11,003	19,200	8,197	2,455	1,742	1,734	1,516	576	123	50
SOUTH ASIA										
Bhutan	2,791	3,800	1,009	372	637					
Nepal	567	3.800	3,233	327	1,414	792		500	109	91
Pakistan	3,349	3,800	451	451						
SOUTH ASIA subtotal	6,707	11,400	4,693	1,150	2,051	792		500	109	91
Total Grant Disbursements	75,895	140,570	59,819	25,419	16,379	8,143	4,923	2,884	1,082	959

of $30.4 million represent eight Readiness Preparation Grants of $3.8 million, three each in FY13 and FY14, one in FY15 and another in FY16. This brings the total grant disbursements of the FCPF to over $90 million.

7.2.4. Financial Commitments over the Longer Term

Since the term of the Readiness Fund runs until December 31, 2020, the annual budgets need to fit into a long-term financial planning framework that is consistent with World Bank policies for the financial management of trust funds. These policies generally require funds to be fully set aside for commitments made by the Participants as well as for meeting the fiduciary obligations entered into by the World Bank as Trustee.

To plan resources over this longer time horizon, the Participants Committee issues resolutions from time to time to establish funding priorities and commitments for the coming years. These commitments are considered "notional" when the Participants Committee has set aside or allocated financial resources of the Readiness Fund that are not yet signed into formal grant agreements or contracts. They are converted to "full" commitments once the grant agreements (or vendor contracts) are signed by recipients and/or by the World Bank as Trustee of the Readiness Fund, or expenditures are made.

Full signed commitments amount to almost $178 million (including grants signed by countries working with IDB and UNDP as Delivery Partners). However, there has been a considerably higher level of notional grant commitments made by the FCPF to REDD+ countries. Table 10 provides a more complete picture of the level of these notional commitments, together with the necessary notional commitments to operate the fund for its full term, including the direct implementation support costs and associated country services costs.

This long-term financial plan includes commitments for the operation of the Secretariat by the FMT and the trustee role of the World Bank over the full term of the Readiness Fund—reflecting the fact that the Facility is expected to be fully active through that time.

Table 10 shows the long-term notional commitments or planned uses of the fund. The table shows that, as of the end of FY16, notional commitments of full grants to all 45 active countries and the estimated associated costs of the fund during its lifetime amount to $315.4 million.

Total committed funding sources (including investment income) to the Readiness Fund as of June 30, 2016, is $375.1 million (see table 10). This level of funding is therefore adequate to meet the notional commitments of $315.4 million. Funds are available to provide additional grants of up to $5 million for a total of 24 countries showing significant progress. Additional funding has already been allocated to 13 countries, allowing a further 11 countries to access additional funding.

Table 10: Summary of Long-Term Sources and Uses of Readiness Funding as of June 30, 2016 ($, millions)

Explanation	of which	Totals
Committed Funding (risk adjusted[a])		**362**
Investment Income		**13.0**
Total Sources		**375.1**
Committed Uses for Funds		
Commitments (grants) to REDD+ countries (47 @ $3.8 million)	178.6	
Additional grant funding to REDD+ countries that demonstrate significant progress on readiness [Chile, Costa Rica, the Democratic Republic of Congo, Guatemala, Ghana, Indonesia, Liberia, Mexico, Mozambique, Nepal, Republic of Congo, Uganda, and Vietnam] (12@ $5 million, 1@ 3.75 million)	63.8	
Less grants to REDD+ countries who did not submit R-PPs by PC14 (2 @ $3.8)[b]	(7.60)	
Net Grant Commitments		**234.8**
Administrative, Operations, and Country Support of which:		**80.7**
FY09–FY16 Actual costs	53.7	
FY17–FY21 Projected costs	25.0	
Reserve for Delivery Partner capacity for dispute resolution	2	
Total Uses		**315.4**
Estimated Reserve: Total Sources less Total Use		**59.7**
Proposed Commitments	**Per country**	**Totals**
Additional grant commitments for those that demonstrate significant progress on readiness ($5 million grant plus 0.3 million for support costs per country for 11 additional countries (total of 24 countries)	5.3	**58.3**
Total Potential Additional Uses		**58.3**
Total Surplus		**1.4**

a. Risk adjusted with a 15% discount applied to outstanding contributions that are in a currency other than U.S. dollars, the holding currency of the fund.

b. Bolivia, Gabon.

7.3. Carbon Fund

7.3.1. Fund Balance

Table 11 shows the summary financial statement for the Carbon Fund from the opening of the fund to the end of FY16. The Carbon Fund balance at the end of FY16 is a healthy $675 million, with a cash balance of $417.1 million. The difference of $258 million is represented by outstanding balances on promissory notes, and outstanding contributions from Germany, Norway and the United Kingdom.

Total donor contributions received to date are $441 million.

Total disbursements to the end of FY16 are $14.5 million, made up solely of cash disbursements. The Carbon Fund has been fully operational since May 2011; there are no payments for emission reductions to date.

Total receipts during FY16 were $71.7 million, made up of donor contributions from Germany and Norway, with contribution amounts of $13.3 million and $58.4 million respectively (see table 12).

All Participation Agreements with Carbon Fund Participants indicate that any interest generated by prepaid contributions shall be channeled to the Readiness Fund. For this reason, there is no investment income to report for the Carbon Fund.

Table 11: FCPF Carbon Fund Summary Financial Statement FY16 ($, thousands)

Description	Total	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Beginning Balance		**350,826**	**316,474**	**293,275**	**122,283**	**86,390**	**24,700**	**20,356**	
Donor Contributions	441,298	71,681	32,222	27,280	171,866	36,912	71,800	4,181	25,356
Investment Income (transferred to Readiness Fund)				(2,023)	901	520	256	346	
Total Receipts	**441,298**	**71,681**	**32,222**	**25,257**	**172,767**	**37,432**	**72,056**	**4,527**	**25,356**
Cash Disbursements	14,541	5,432	2,846	2,058	2,117	1,539	366	183	
ER Payments									
Total Disbursements	**14,541**	**5,432**	**2,846**	**2,058**	**2,117**	**1,539**	**366**	**183**	
less Promissory Note balances	(9,658)	25	4,975		342		(10,000)		(5,000)
Fund Balance (cash)	**417,099**	**417,099**	**350,826**	**316,474**	**293,275**	**122,283**	**86,390**	**24,700**	**20,356**
plus Outstanding Promissory Notes	9,658								
plus Outstanding Contributions	248,298								
Fund Balance	**675,055**								

Table 12: FCPF Carbon Fund Donor Contributions as of end of FY16 ($, thousands)

Participant Name	Total	Outstanding*	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Australia	18,393						5,658	12,735		
BP Technology Ventures	5,000							5,000		
Canada	5,015						5,015			
European Commission	6,709								362	6,347
France	5,114			114				5,000		
Germany	125,667	1,998	13,329	32,108	27,280	6,556	15,443	21,125	3,819	4,009
Norway	300,462	70,800	58,352			161,310				10,000
Switzerland	10,796						10,796			
The Nature Conservancy	5,000									5,000
United Kingdom	193,440	175,500						17,940		
United States of America	14,000					4,000		10,000		
Committed Funding	**689,596**	**248,298**	**71,681**	**32,222**	**27,280**	**171,866**	**36,912**	**71,800**	**4,181**	**25,356**
Germany	55,500	55,500								
United States of America	4,500	4,500								
Pledge Funding	**60,000**	**60,000**								
Committed and Pledged	**749,596**	**308,298**	**71,681**	**32,222**	**27,280**	**171,866**	**36,912**	**71,800**	**4,181**	**25,356**

*Amounts may vary due to exchange rate fluctuations.

7.3.2. Funding Sources

Table 12 presents the committed and pledged contributions to the Carbon Fund as of the end of FY16. In terms of cash, the Carbon Fund received donor contributions of $71.7 million over the past year from Germany and Norway. This brought the total cash contributions to the end of FY16 to $441 million, leaving three outstanding contributions of $2.0 million (Germany), $70.8 million (Norway) and $175.5 million (United Kingdom). These outstanding contributions, totaling $248.3 million, represent agreed phased contributions spread out over a number of years.

In addition to these committed contributions, Germany and the United States also made pledges of $60 million to the Carbon Fund to be signed in FY17.

7.3.3. Funding Uses

Cash disbursements total $14.5 million from the opening of the fund to the end of FY16. Table 13 shows the annual expenditures by activity, and table 14 compares the approved budget with the actual expenditures by activity for FY16.

The total cash disbursements from the opening of the fund to the end of FY16 of $14.5 million are made up of $3.6 million in administration costs, which include all meetings and financial management; $0.5 million of TAP (Technical Advisory Panel work); $1.6 million of technical support by the FMT to support countries directly; $3.8 million of program development costs; and finally $5.1 million of shared costs (see table 13).

7.3.3.1. Fund Administration, TAP, and Country Advisory Services

The total Carbon Fund expenditures for the year of $5.4 million compares to the final budget for the Carbon Fund, including Shared Costs, of $6.7 million. The fiscal year therefore closed with spending at 81 percent of budget—underspending of about $1.3 million. Refer to table 14 for details.

Carbon Fund administration costs are slightly below budget, with an 85 percent spend. This is explained by the centralization of some standard administration tasks, as the FMT was no longer billed for some accounting, resource management, and legal costs because of a change in World Bank policy.

Total Carbon Fund TAP costs are under budget at 74 percent. Although a large number of ERPDs came into the pipeline (four are under review as of the drafting of this report) a planned TAP calibration workshop was delayed, which offset the higher than planned TAP costs.

The budget for Country Advisory Services was $1.2 million, and was well utilized as the FMT provided support to ERPD development during the year. The FMT provided the anticipated level of support, as 18 countries work to develop ERPDs. The FY16 spending is 106 percent of the budgeted amount.

Table 13: FCPF Carbon Fund Cash Disbursements ($, thousands)

Activity	Total	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Carbon Fund Administration	3,593	555	741	626	652	470	366	183
Carbon Fund TAP	463	440	23					
Carbon Fund Country Advisory Services	1,640	1,290	350					
ERPA Costs—Development of ER Programs	3,763	2,351	910	273	229			
Shared Costs	5,082	797	821	1,159	1,236	1,069		
Total	**14,541**	**5,432**	**2,846**	**2,058**	**2,117**	**1,539**	**366**	**183**

Table 14: FCPF Carbon Fund Cash Disbursements for FY16 ($, thousands)

Activity	Budget	Actual Expense	Variance	Expense Rate (%)
Carbon Fund Administration	656	555	101	85
Carbon Fund TAP	591	440	152	74
Carbon Fund Country Advisory Services	1,220	1,290	(70)	106
ERPA Program Development	3,285	2,351	934	72
General "seed money"	*185*	*235*	*(50)*	*127*
ERPD Development	*3,100*	*2,116*	*984*	*68*
Shared Costs	943	797	146	85
Total Carbon Fund	**6,695**	**5,432**	**1,263**	**81**

7.3.3.2. ERPA Costs of Program Development

An additional $185,000 in "seed money" was set aside by the Carbon Fund Participants to help countries develop their ER-PINs for presentation to the Carbon Fund. Because a large number of ER-PINs was not envisaged at the time of the budget preparation, $235,000 (or 127 percent) was spent to assist in the development of ER-PINs in FY16. However, the 11 ER-PINs presented to the Carbon Fund during the fiscal year (nine ER-PINs at 13th Carbon Fund meeting and two at the 14th meeting) represent significant progress in the development of the Carbon Fund program pipeline.

Once LOIs are signed, ERPD development funds flow. The budget of $3.1 million was calculated based on estimated spending during FY16 from the $650,000 in allocations made to programs entering the Carbon Fund pipeline and signing a LOI. The budget was made up of the estimated unspent allocation to those countries that were invited to join the Carbon Fund pipeline in FY15 *plus* portions of five more $650,000 allocations for countries that could be invited in FY16. The FY14 invitees were Costa Rica, the Democratic Republic of Congo, Ghana, Mexico, and Nepal. The additional allocations were intended to cover portions of ERPD development for countries that were anticipated to present ER-PINs in FY16, to be approved on a case-by-case basis by Carbon Fund Participants.

Of the countries selected into the Carbon Fund pipeline, only those that sign an LOI gain access to the $650,000 allocations for ERPD development. Currently, of the 19 countries selected into the pipeline of the Carbon Fund, 14 have signed LOIs, thus releasing the $650,000 of ERPD development funds. Of the $3.1 million budgeted for FY16, $2.1 million was spent in FY16, representing underspending of approximately $1.0 million

7.3.4. Shared Costs

Shared Costs are directly related to the Readiness Fund expenses in two key cross-cutting areas: FCPF Secretariat and REDD Methodology Support costs. The expenditure as a result of spending in the Readiness Fund is below budget at $0.8 million, an expense ratio of 85 percent.

7.3.5. Financial Commitments over the Longer Term

Diverging from the Readiness Fund, the life of the Carbon Fund was extended to December 2025 by the Carbon Fund Participants at the 12th meeting of the Carbon Fund (Resolution CFM/12/2015/1), to allow for minimal ERPA terms of at least five years accommodating a longer than anticipated program design phase. As outlined in the Readiness Fund section, the annual budgets for each fund need to fit into a long-term financial planning framework that is consistent with World Bank policies for the financial management of trust funds. These policies generally require funds to be fully set aside for commitments made by the Participants as well as for meeting the fiduciary obligations entered into by the World Bank as Trustee. The long-term financial plan presented at the 14th Carbon Fund meeting, in Paris in June 2016, indicates that around $707 million would be available for the purchase of emission reductions.

7.4. Budget Approval Process

The budgets for the Readiness Fund and the Carbon Fund are based on the World Bank's fiscal year (beginning July 1) and are approved annually in accordance with the FCPF Charter. The Participants Committee is responsible for approval of the annual budget for the Readiness Fund and the Shared Costs of the Facility, and the Carbon Fund Participants are responsible for approval of the annual budget for the Carbon Fund as a separate trust fund.

Total of

19 countries

in the Carbon
Fund Pipeline

Results Measurement Reporting Framework

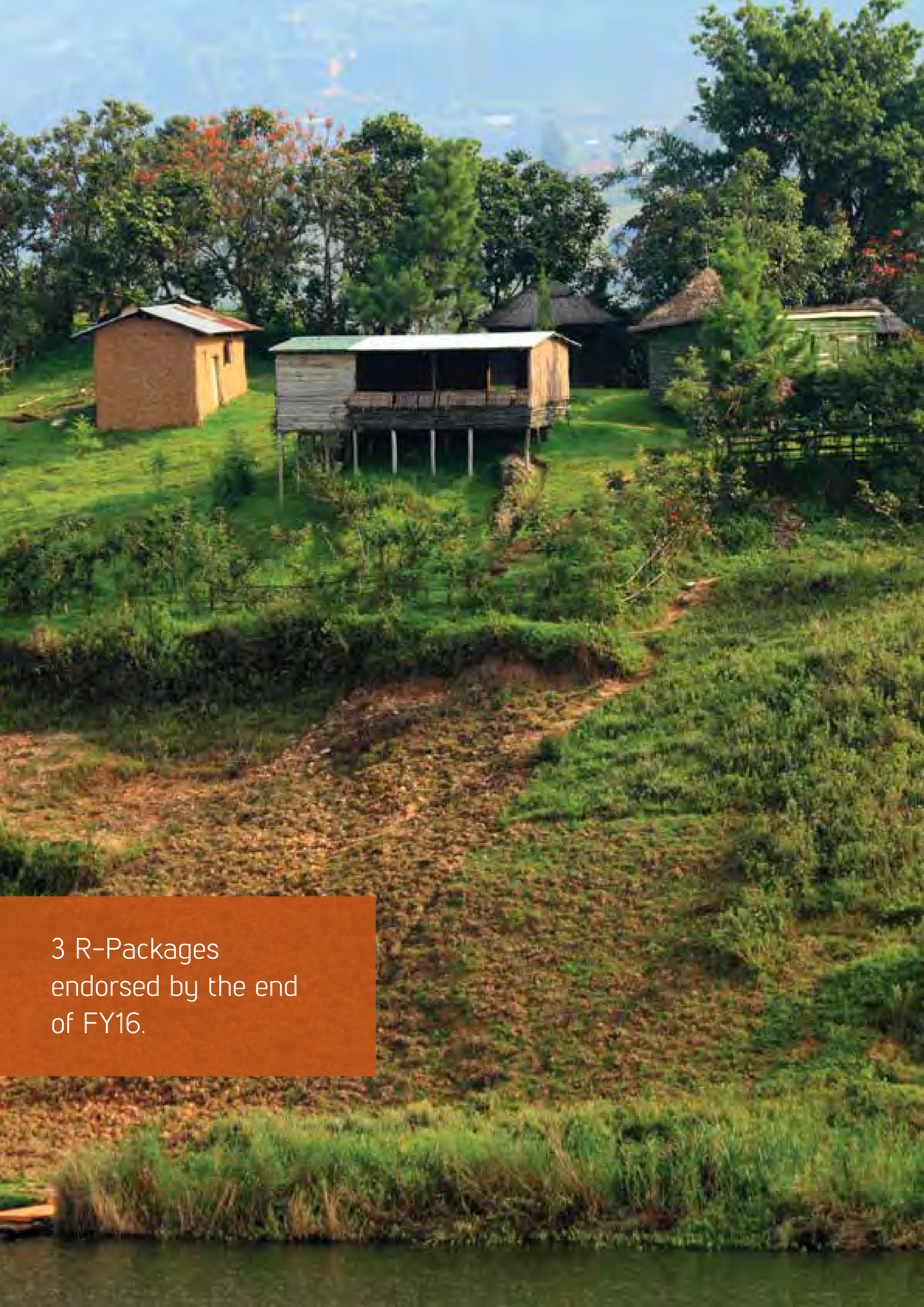
8

As FY16 is the year in which the FCPF and REDD+ Country Participants transitioned to a new reporting format, data are not consistently available to allow a quantitative analysis.

Impact/Outcome/ Output and Relevant Indicators	Expected #/ Target Year	Current (as of end FY16)	Traffic Light
Impact I.1. The FCPF has contributed to the design of a global regime under or outside UNFCCC that provides incentives for REDD+		See section 4 for examples of progress	
Impact I.2. Reduced emissions from deforestation and forest degradation from FCPF, especially Carbon Fund portfolio countries	Not yet applicable		
Impact I.3. FCPF has catalyzed the creation of recognized global standards for REDD+	No applicable target	See section 4 for examples of progress	
Impact I.4. FCPF has catalyzed investment in REDD+ (Carbon Fund, and grants)	No applicable target	See section 4 for examples of progress	
Impact I.5. The FCPF has generated momentum to address governance and transparency issues and policy reforms related to sustainable forest resource management and REDD+	No target	See section 4 for examples of progress	
Outcome 1. **Efforts successfully undertaken by countries with FCPF support, to achieve emission reductions from deforestation and/or forest degradation, and to benefit from possible future systems of positive incentives for REDD+ (Readiness Fund)**			
Outcome Indicator 1.A. Number of Readiness Packages endorsed by the Participants Committee	2 R-Packages by 2014, 8 R-Packages by 2015, 20+ R-Packages by 2018	3 R-Packages	
Output 1.1. Readiness Assessment Framework is agreed upon and disseminated			
Indicator 1.1. Existence of published assessment framework on Readiness Package	Assessment Framework published following PC14 adoption	Completed	

Impact/Outcome/ Output and Relevant Indicators	Expected #/Target Year	Current (as of end FY16)	Traffic Light
Output 1.2. Countries demonstrate an adequate plan to achieve preparedness for REDD+ funding			
Indicator 1.2.a. Number of R-PPs endorsed by the Participants Committee	30+ R-PPs by 2015	45 R-PPs	
Indicator 1.2.b. Number of Readiness Preparation Grant Agreements signed	30+ signed Grant Agreements by 2015	39 signed Grant Agreements	
Output 1.3. Countries progress adequately on implementation of their R-PP and Grant Agreements			
Indicator 1.3.a. Number of midterm progress reports presented by countries that follow agreed reporting standards and are presented in a timely manner	20+ MTRs by 2015, 25+ MTRs by 2018	14 MTRs	
Indicator 1.3.b. Percentage of countries that are achieving planned milestones according to approved Readiness Preparation Grant (> $3.4 million)	At least 60% of countries have performance that is satisfactory or above	GRMs for FY16 not fully available at time of print	
Indicator 1.3.c. Percentage of countries that are overall achieving planned milestones for subcomponent—as per the country annual reporting scale for subcomponents 1 to 9	By 2015, 50% of countries have performance "further development required" in 50% of subcomponents By 2018, 100% of countries implementing R-PPs have performance that is "progressing well" or above for 80% of subcomponents	92% of countries that reported (25 of 35 due to report) have performance that is satisfactory or above	
Indicator 1.3.d. Percentage of countries with a disbursement rate that is in line with agreed Readiness Preparation Grant (> $3.4 million) disbursement plans of grant agreement (up to 10% variance with plans)	60% (of countries with signed Grant Agreements)	10 out of 39 or 26% countries	
Outcome 2. Selected FCPF countries demonstrate key elements (carbon accounting, programmatic elements, and pricing) of performance-based payment systems for emission reductions generated from REDD+ activities with a view to ensuring equitable benefit sharing and promoting future large-scale positive incentives for REDD+ (Carbon Fund)	Not yet applicable as no ERPA has been signed		
Output 2.1. Standards and preparations in place for high-quality emission reductions programs discussed and endorsed by Carbon Fund Participants and/ or the Participants Committee			

Impact/Outcome/ Output and Relevant Indicators	Expected #/Target Year	Current (as of end FY16)	Traffic Light
Indicator 2.1. Number and types of standards and management tools discussed and endorsed by Carbon Fund Participants and/or Participants Committee for emission reduction programs including:			
Indicator 2.1.a. Methodological Framework and Pricing Approach	Fully developed draft by CF7 and final version endorsed by CF8	MF endorsed at CF8	
Indicator 2.1.b. Business processes (ER-PIN, ERPD, ERPA)	Fully developed draft by CF7 and final version endorsed by CF8	Business process defined	
Indicator 2.1.c. Legal documents (General Conditions, ERPA Term Sheet)	Fully defined ERPA Term Sheet draft by PC14 and General Conditions for ERPA endorsed by PC16	Term Sheet is endorsed at PC14; General Conditions endorsed at PC18	
Output 2.2. Countries have entered in the portfolio of the Carbon Fund			
Indicator 2.2.a. Number of early ideas or emission reductions programs presented by countries to the Carbon Fund	10 by 2015	24 early ideas, 19 ER-PIN, 2 ERPDs	
Indicator 2.2.b. Number of REDD countries that have signed ERPA	5 by 2015	No ERPAs signed yet (14 LOIs signed)	
Output 2.3. Increased levels of private sector investment for incentivizing, testing, and supporting up-scaling of emission reduction activities			
Indicator 2.3.a. Number of private participants in the Carbon Fund	2 new private sector participants by 2014	Target is no longer relevant; new approach for private sector engagement at the program level	
Output 2.4. Emission reductions programs are being implemented in a timely manner	Not yet applicable as no ERPA has been signed		
Outcome 3. Engagement of all stakeholders (government, CSOs, Indigenous Peoples, private sector, Delivery Partners) to sustain or enhance livelihoods of local communities and to conserve biodiversity within the approach to REDD+			
Indicator 3.A. Design of national REDD+ strategies, monitoring systems and emission reductions programs addresses indicators for enhancement of livelihoods of local communities and for biodiversity conservation	All national REDD+ strategies, monitoring systems and emission reductions programs incorporate indicators related to biodiversity conservation and forest community livelihood development	See section 4 for examples of progress	
Indicator 3.B. Actual examples on the inherent social and biodiversity benefits of REDD+ and how they are used to inform the REDD+ agenda and to scale up results	International REDD+ agenda by 2017 is informed by documented results from emission reductions programs	See section 4 for examples of progress	



3 R-Packages endorsed by the end of FY16.

Impact/Outcome/ Output and Relevant Indicators	Expected #/Target Year	Current (as of end FY16)	TrafficLight
Output 3.1. Enhanced capacity of Indigenous Peoples and CSOs to engage in REDD+ processes at the country level			
Indicator 3.1.a. (i). Number and type of examples of in-country REDD+ actions where Indigenous Peoples and CSOs and local communities participate actively	Various new examples exist with strong evidence of Indigenous Peoples and CSO active participation and broad community support in REDD+ programs/ readiness by 2015	See section 4 for examples of progress	Green
Indicator 3.1.a. (ii). Examples of resources made available to enable active participation of Indigenous Peoples, CSOs, and local communities in national REDD+ readiness	Examples exist with evidence of resources being made available through national and/ or bilateral support to Indigenous Peoples and CSO networks to enable active participation in national REDD+ readiness	See section 4 for examples of progress	Green
Indicator 3.1.b. Number of Indigenous Peoples and REDD+ country CSO representatives (men/women and/or youth) that have participated and benefitted from FCPF organized workshops/trainings on SESA, governance, MRV aspects/related aspects of REDD+	At least 20 men and 20 women and/or 20 youth reps. participated and/or trained per country, in a minimum of 15 Participant Countries by 2015	See section 4 for examples of progress	Green
Indicator 3.1.c. Examples of Indigenous Peoples and REDD+ country CSO representation in institutional arrangements for REDD+ at the national level	Examples in all REDD+ Participant Countries, of institutional arrangements for national REDD+ readiness where Indigenous Peoples and CSOs are represented	See section 4 for examples of progress	Orange
Output 3.2. Pilots have been successfully implemented on ways to sustain and enhance livelihoods and conserve biodiversity	Not yet applicable as no ERPA has been signed		
Indicator 3.2.a. Number of countries where stakeholder engagement platforms proposed in R-PPs have taken up work and meet regularly	All countries that have signed Readiness Grants	See section 4 for examples of progress	Green
Outcome 4. Knowledge gained in the development of the FCPF and implementation of Readiness Preparation Proposals (under the Readiness Fund) and emission reductions programs (under the Carbon Fund) broadly shared, disseminated and used by international REDD+ practitioners			
Indicator 4.A. Number of new countries/stakeholders requesting to become FCPF: - Observers - Members	A number of new requests to become: - Country observers - Country members	No formal requests in FY16	Green

In FY16, a series of regional workshops to "train the trainers" on forest monitoring was launched.

Impact/Outcome/ Output and Relevant Indicators	Expected #/Target Year	Current (as of end FY16)	TrafficLight
Indicator 4.B. Examples of utilization of/or reference to FCPF knowledge products	An increasingnumber of examples exist by 2015 and remains stable afterwards until 2020	See section 4 for examples of progress	
Output 4.1. Knowledge products and lessons from piloting of REDD+ in general and FCPF activities in particular are developed and disseminated, in accordance with global knowledge management and communication strategy and annual work plans		See section 4 for examples of progress	
Output 4.2. Participants actively engage in South-South learning activities		Shift in FY14 to focus on country-tailored support	
Output 4.3. Strong visibility of REDD+ and FCPF is achieved			
4.3.a. Number of neutral/positive mentions of FCPF and REDD+ issues in different key media worldwide per X period	Increase in neutral and positive mentions world-wide—TBD in work plans	Yes	
4.3.b. Number of negative mentions of FCPF and REDD+ issues in different key media worldwide per year	Decrease of negative mentions worldwide	Yes in quantitive mentions, but targeted detailed publications with critical content	

Acknowledgments

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