



# Forest Carbon Partnership Facility

## General Overview

September 23, 2010



# Two Mechanisms

## Readiness Mechanism

READINESS  
FUND

*Capacity  
Building*

*(2008-2012?)*

Target ~\$185 million  
Available \$115 million

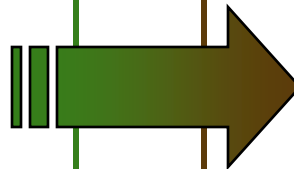
## Carbon Finance Mechanism

CARBON  
FUND

*Emission  
Reductions*

*(2011-2015?)*

Target ~\$200 million  
Pledged \$55 million



# ReadinessFund

## Contributions and Pledges

Readiness Fund Expected Contributions as at Sept 2010 (\$m)					
Participant	Cash Received	Outstanding Balance	Committed	Pledges	Total
Australia	17.6		17.6		17.6
Denmark	5.8		5.8		5.8
Finland	9.0		9.0		9.0
AFD (France)	5.2		5.2		5.2
Japan	10.0		10.0		10.0
Netherlands	5.0	15.3	20.3		20.3
Norway	21.4	8.8	30.2		30.2
Spain	7.0		7.0		7.0
Switzerland	8.2		8.2		8.2
UK*		5.2	5.2		5.2
USA	5.0		5.0		5.0
<b>Committed Funding</b>	<b>94.2</b>	<b>29.3</b>	<b>123.5</b>		<b>123.5</b>
Germany**				24.5	24.5
Japan				4.0	4.0
<b>Committed Funding plus Pledges</b>	<b>94.2</b>	<b>29.3</b>	<b>123.5</b>	<b>28.5</b>	<b>152.0</b>

\* Available through the Strategic Climate Fund

\*\* Pledge of €20m awaiting final government approval

# Carbon Fund

## Contributions and Pledges

Contributions to the FCPF Carbon Fund (\$m) as of September 15, 2010				
	FY09	FY10	FY11	Totals
European Commission	6.3	0.4		6.7
Germany	7.8		4.9	12.7
Norway	10.0			10.0
The Nature Conservancy	5.0			5.0
United Kingdom*			17.3	17.3
<b>Total Contributions:</b>	<b>29.1</b>	<b>0.4</b>	<b>22.2</b>	<b>51.7</b>
United States			10.0	10.0
Germany (tbc)			13.0	13.0
Australia (tbc)**				
<b>Total Pledges and Contributions</b>	<b>29.1</b>	<b>0.4</b>	<b>45.2</b>	<b>74.7</b>

tbc = Pledge amount to be confirmed

\* To be confirmed and provided through Strategic Climate Fund

\*\*Potential participant

# 37 REDD Country Participants Selected



# FCPF REDD Country Participants

## South America

- Argentina
- Bolivia
- **Chile \***
- Colombia
- Guyana
- Paraguay
- Peru
- Suriname

## Meso-America

- Costa Rica
- El Salvador
- Guatemala
- Honduras
- Mexico
- Nicaragua
- Panama

## Africa

- Cameroon
- Central African Republic
- Dem. Republic of Congo
- **Equatorial Guinea \***
- Ethiopia
- Gabon
- Ghana
- Kenya
- Liberia
- Madagascar
- Mozambique
- Republic of Congo
- Tanzania
- Uganda

## Asia & Pacific

- Cambodia
- Indonesia
- Lao PDR
- Nepal
- Papua New Guinea
- Thailand
- Vanuatu
- Vietnam

*\*Countries that have not signed the Participation Agreement, as of June 30, 2010*

# FCPF Governance

## Technical Advisory Panels (TAP)

Provide external technical advice and assessments

**Readiness Fund**  
*(World Bank as Trustee)*

## Participants Assembly (PA) All Eligible REDD Countries, Donors and Carbon Fund Participants

- Forum for exchange of information
- Meets at least annually
- Opportunity for 'subgroups' to meet and discuss experiences, elect their representatives
- Overturns PC decisions on some issues

## Participants Committee (PC) An elected subset of the PA with equal numbers of Donors and REDD Countries

- Elected representatives of Participants + Observers
- Primary decision making body, including all policy issues

## Facility Management Team (FMT) *(World Bank)*

FMT acts as secretariat to facilitate the partnership

## Delivery partner *(World Bank)*

WB Operational Units provide technical support and conduct due diligence on WB policies and procedures

**Carbon Fund**  
*(World Bank as Trustee)*

## Carbon Fund Participants Committee

Decision making on specific carbon transactions

# Composition of Second Participants Committee (2009-2010)

## REDD COUNTRIES

Argentina	Mexico
Colombia	Nepal
Costa Rica	Panama
DRC	Papua New Guinea
Gabon	Suriname
Ghana	Tanzania
Kenya	Vietnam

## CONTRIBUTORS

AFD  
Australia  
Denmark  
European Commission  
Finland  
Germany  
Japan  
Netherlands  
Norway  
Spain  
Switzerland  
The Nature Conservancy  
United Kingdom  
United States

## OBSERVERS

Forest-Dependent Indigenous Peoples,  
Private Sector,  
International Organizations,  
NGOs,  
UNFCCC Secretariat,  
UN-REDD Programme



# Readiness Activities in the FCPF (1)

- Readiness activities under FCPF Readiness Fund are limited to early planning, mostly analytical work and system design
- Two phases:
  1. Formulation:
    - *Readiness Preparation Idea Note (R-PIN)*
    - *Readiness Preparation Proposal (R-PP)*
  2. Preparation:
    - *Readiness Package (R-Package)*

# Readiness Activities in the FCPF (2)

- Contents of R-PP:

- Component 1: **Organize and Consult**

- 1a. National Readiness Management Arrangements

- 1b. Stakeholder Consultation and Participation

- Component 2: **Prepare the REDD plus Strategy**

- 2a. Assessment of Land Use, Forest Policy and Governance

- 2b. REDD Strategy Options

- 2c. REDD Implementation Framework

- 2d. Social and Environmental Impacts

- Component 3: **Develop a Reference Scenario**

- Component 4: **Design a Monitoring System**

- 4a. Emissions and Removals

- 4b. Other Benefits and Impacts

- Component 5: **Schedule and Budget**

- R-PP template available at [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org)

# Preparing for Readiness: Country Status (1)

- **11 R-PPs formally assessed:** R-PPs reviewed by TAP, assessed by PC, \$3.6 million grant allocations authorized by PC, due diligence ongoing by WB on technical content, safeguards, procurement, financial management:
  - Argentina
  - Costa Rica
  - Democratic Republic of Congo
  - Ghana
  - Guyana
  - Indonesia
  - Kenya
  - Mexico
  - Nepal
  - Panama
  - Republic of Congo

# Preparing for Readiness: Country Status (2)

- 4 informal presentations: R-PP drafts reviewed by TAP, discussed by PC:
  - Madagascar
  - Peru
  - Suriname
  - Tanzania
- More countries are preparing R-PPs to submit, formally or informally, at upcoming meetings

# FCPF: Current Arrangements

- World Bank fulfills several roles:
  1. Trustee
  2. Secretariat through Facility Management Team
  3. 'Readiness delivery partner' through WB Regional operations

# FCPF: Readiness Services

- As Readiness delivery partner, Bank provides 2 types of support:
  1. Readiness preparation support: advice, feedback
  2. Fiduciary and safeguard support
    - Procurement
    - Financial management
    - Environmental and social safeguards
- PC5 in Gabon requested options for expanding delivery partners to institutions beyond the Bank
- Potential questions include setting of minimum standards across delivery partners

# FCPF's Main Contributions to Date

- Created a framework: What does it mean to get 'ready for REDD+'?
  - **Components of a readiness package:**
    - REDD+ strategy & implementation framework
    - Reference scenario
    - MRV system
    - National REDD+ management arrangements
  - **Processes**
    - Country-driven process
    - Independent + peer reviewers
- Created a forum for REDD+: Increased understanding and trust among countries

# Insight 1

- Countries embark in REDD+ readiness from different starting positions, reflecting their unique conditions and history
- No cookie-cutter approach; each country has to find its own way
- Facilitate cross-fertilization



# Insight 2

- REDD+ fits into an emerging national, low-carbon development strategy
- Not simply a forestry sector project

# Insight 3

- Preparation for readiness is a multi-step process requiring
  - Definition of strategic options for REDD+
  - Evolution of new institutional arrangements
  - Design of delivery and MRV systems
- REDD+ readiness will take time
- Projects, investments happen before 'REDD+ readiness' is reached

# Insight 4

- Transparent consultations with major stakeholders offer promise of REDD+ becoming more equitable and sustainable
- REDD+ takes time and requires changes in attitudes
- Tough, but fundamental changes are needed
- Questions:
  - Are we asking too much (urgency vs. prudence)?
  - Are the Bank's procedures too onerous?

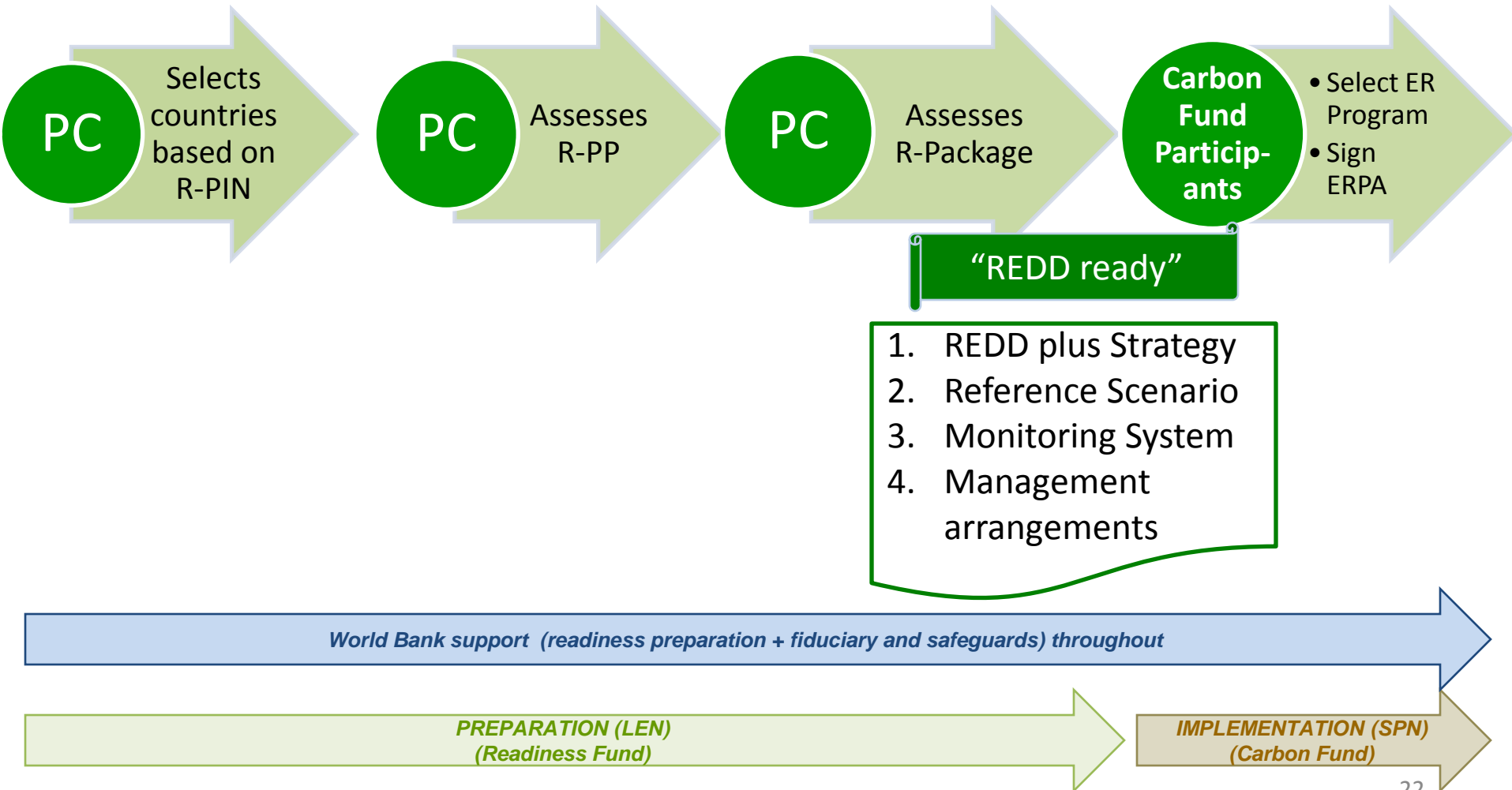
# Insight 5

- The FCPF is not a World Bank 'product'
- Bank plays 3 roles in FCPF
- Roles have to be unbundled and assessed separately; perhaps repackaged?

# Insight 6

- As implementing partner, WB provides two types of support:
  - Readiness preparation support: advice, feedback
  - Fiduciary and safeguard support
    - Procurement
    - Financial management
    - Environmental and social safeguards
- More implementing partners are needed
  - Develop complementarities
  - Mitigate fragmentation
  - Define Minimum standards

# From Readiness to Carbon Finance



# Upcoming Meetings

- November 1-3, 2010 (Washington, DC)
  - Participants Assembly 3 + Participants Committee 7 (back-to-back UN-REDD Policy Board and Forest Investment Program Sub-Committee meetings, and joint meeting of FCPF, UN-REDD and FIP)
- March 21-25, 2011 (Vietnam, TBC)
  - Participants Committee 8 (back-to-back with UN-REDD Policy Board meeting)
- June 20-22, 2011 (Oslo, Norway, TBC)
  - Participants Committee 9
- October 2011 (Germany has offered to host, TBC)
  - Participants Assembly 4 + Participants Committee 10



THANK YOU!

[www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org)