

Forest Carbon Partnership Facility

Participants Assembly Third Meeting November 1, 2010 Washington, DC

Note on the draft PA Resolution on multiple delivery partners

In the draft recommendations of the first meeting of the Working Group on Multiple Delivery Partners (Working Group), the Working Group recommends that the Facility Management Team (FMT), in view of the piloting phase on multiple delivery partners, “consider presenting a draft resolution to the Participants Assembly for its consideration and adoption, as opposed to proposing amendments to the Charter as specified in paragraph 6 of Resolution PC6/2010/6, in order to provide the legal basis for carrying out the pilots”.

One of the reasons that an amendment to the Charter or a PA resolution is required for carrying out the arrangement for multiple delivery partners or its piloting is that the Charter, as it currently stands, does not allow entities other than the World Bank to act as delivery partners under the Readiness Fund of the FCPF and that the Trustee has no authority or legal basis to transfer funds to the potential delivery partners other than to the World Bank. In the event that the PC approves the pilots as recommended by the Working Group, some basic principles and rules related to the Trustee’s responsibilities and the delivery partners’ functions will need to be established in order to proceed with the arrangement on the multiple delivery partners.

Paragraph 6 of Resolution PC6/2010/6 requested the FMT to circulate “the draft amendment to the Charter as a result of the change to multiple delivery partners” for consideration by the PA and PC. However, during the meeting of the Working Group, some participants indicated that given that the arrangement for multiple delivery partners is still in the piloting phase, it would be premature to amend the Charter at this stage. The Working Group agreed to an alternative solution, namely to adopt a PA Resolution that contains the terms applicable to the piloting arrangement for multiple delivery partners, instead of amending the Charter. The FMT proposes such a Resolution contained in the annex to this note for consideration by all the FCPF Participants.

Since the PA3 will precede the PC7 meeting, which is precisely the meeting that is to consider the recommendations of the Working Group, it may not be appropriate for PA3 to adopt a Resolution before PC7 has discussed and adopted the recommendations of the Working Group. The draft PA Resolution in annex therefore proposes that the FMT re-circulate “this Resolution, with appropriate adjustment if necessary, to all the Participants immediately after adoption of the PC Resolution that approves piloting multiple delivery partners. This Resolution shall become effective if there is no objection from any Participant within thirty days after the circulation of this Resolution by the FMT.”

Annex

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FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PARTICIPANTS ASSEMBLY

Third Meeting

Terms Applicable to the Arrangement for Piloting Multiple Delivery Partners

Resolution PA/3/2010/x

Whereas,

1. The Participants Committee (PC), through its Resolutions PC5/2010/4 and PC6/2010/6, recognized and reconfirmed the need to increase the number of delivery partners under the Readiness Fund to include other entities alongside the World Bank.
2. The working group established by the PC in accordance with Resolution PC6/2010/6 (Working Group), in its recommendations to the PC at its seventh meeting (Annex II, paragraph 5 of the Working Group's first meeting report), stated:
"In view of the piloting phase of the multiple delivery partners, the FMT should consider presenting a draft resolution to the Participants Assembly for its consideration and subsequent adoption, as opposed to proposing amendments to the Charter as specified in paragraph 6 of Resolution PC6/2010/6, in order to provide the legal basis for carrying out the pilots referred to in paragraph 2 above."
3. The FMT presented the draft Resolution and explained the sequence and the process for adopting this Resolution.

The Participants Assembly decides that:

1. In the event that the PC adopts the recommendation of the Working Group for piloting multiple delivery partners under the Readiness Fund, the terms and conditions contained in the Appendix to this Resolution shall apply.
2. The FMT shall circulate this Resolution, with appropriate adjustment if necessary, to all the Participants immediately after adoption of the PC Resolution that approves piloting multiple delivery partners. This Resolution shall become effective if there is no objection from any Participant within thirty days after the circulation of this Resolution by the FMT.

Appendix

Terms Applicable to the Arrangement for Piloting Multiple Delivery Partners

1. Application and Relationship with the Charter Establishing the FCPF

The provisions set out in this Annex shall apply to the pilots for the purpose of multiple delivery partners (Delivery Partners) under the Readiness Fund approved by the Participants Committee and shall take precedence over the relevant provisions in the Charter Establishing the FCPF (Charter)

2. Delivery Partners

- (a) The activities to be carried out by the Delivery Partner shall include, but not limited to, providing technical support to REDD Country Participants, entering into Grant Agreements, and supervising the activities under the Grant Agreements.
- (b) Each Delivery Partner shall follow its applicable policies and procedures in managing and supervising the use of the funds transferred to the Delivery Partner by the Trustee of the Readiness Fund.
- (c) Without prejudice to subparagraph (b) above, the Delivery Partner shall be accountable to the Participants Committee for funds transferred by the Delivery Partner to a REDD Country Participant and, where applicable, in accordance with the decisions adopted by the Participants Committee.

3. Trustee of the Readiness Fund

For the purpose of the funds transfer to the Delivery Partners, the Trustee of the Readiness Fund shall perform the following functions:

- (a) The Trustee of the Readiness Fund shall, subject to the availability of resources in the Readiness Fund and the terms of the Donor Participation Agreements, make commitments and transfers to the Delivery Partners of such resources, in accordance with the decisions and approval of the Partnership Committee for allocation of the Readiness Fund resources. Commitments and transfers of the Readiness Fund resources to the Delivery Partners will be made in the manner agreed between the Trustee and the Delivery Partners.
- (b) Upon transfer of funds to the Delivery Partners, the Trustee of the Readiness Fund shall have no responsibility for the use of the Readiness Fund resources transferred and activities carried out therewith. The Trustee of the Readiness Fund shall require, and accept from, the Delivery Partners certain periodic financial reports, as agreed between the Trustee and the Partnership Committee.