



Forest Carbon Partnership Facility Role in REDD Readiness in Africa

Ken Creighton, WWF International

Drawn from a presentation by

Benoît Bosquet, FCPF
R-PP Resource Session
January 27, 2010

What is REDD?

- “Reducing Emissions from Deforestation and Forest Degradation in Developing Countries”
- Attempt to recognize role of forests in climate change mitigation
 - Forests are needed to achieve +2°C objective
 - 20% of the problem → 20% of the solution?
- Discussed in UNFCCC negotiations as part of ‘post-2012’ climate regime
 - Excluded from Clean Development Mechanism
 - Allowed for Annex I countries and under Joint Implementation
 - No forest activities in the EU Emissions Trading Scheme

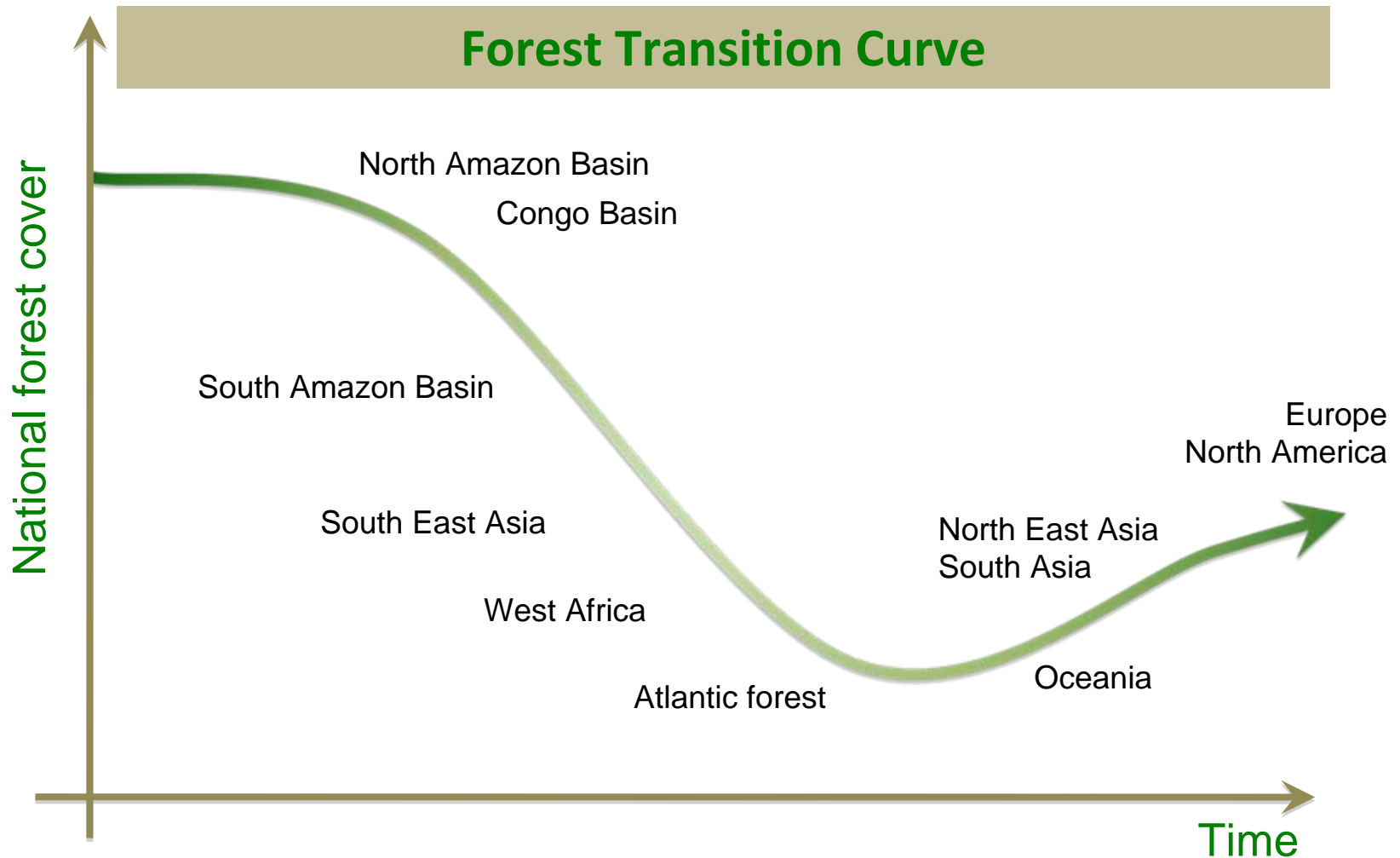


'REDD plus'

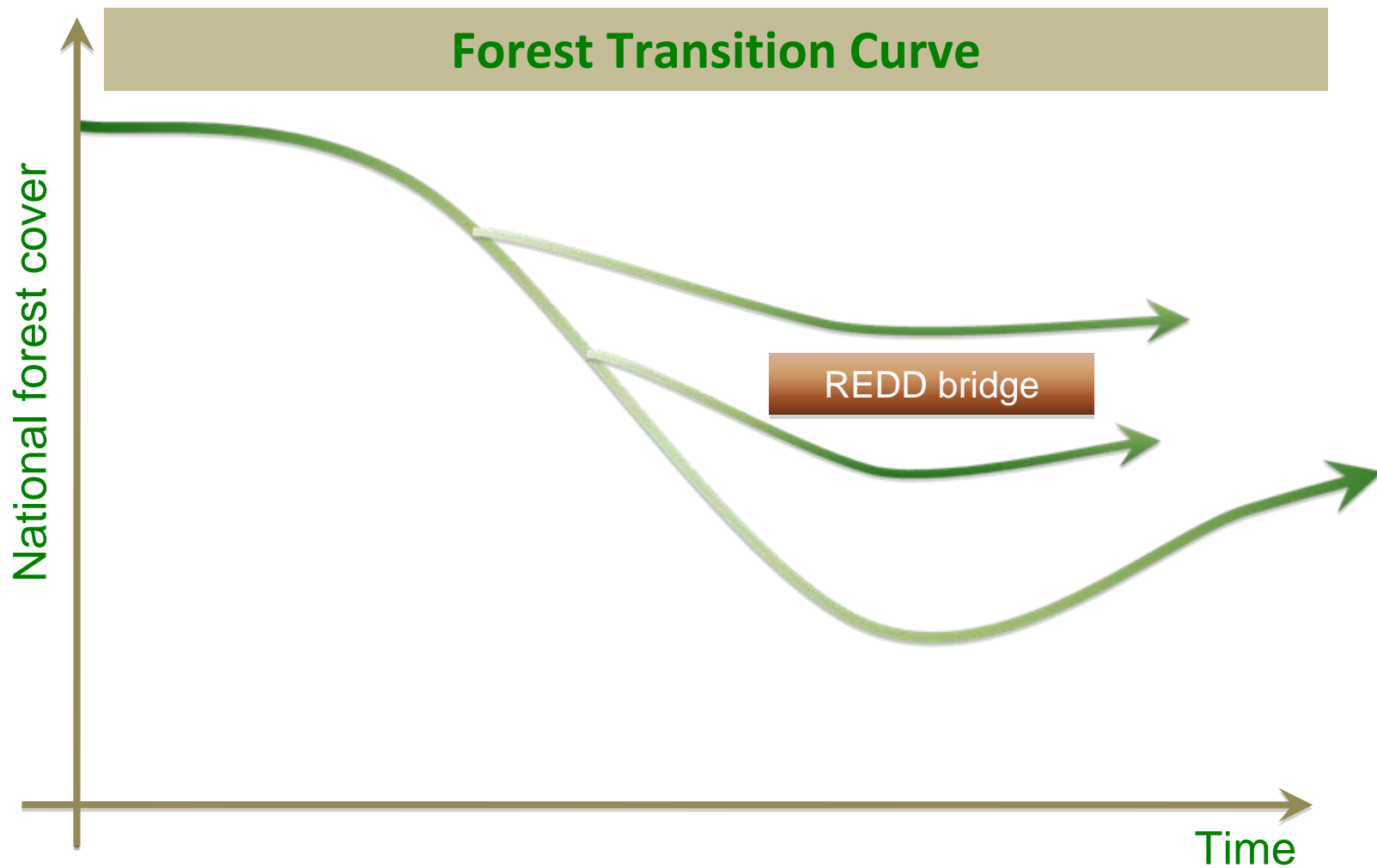


- Bali Action Plan calls for *“policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”*.
- Scope was all but agreed in Copenhagen
 - All activities equally ‘ranked’
- A broader definition of REDD adds methodological and financial issues, but removes perverse incentives
 - Limiting financial compensation to reduced deforestation/degradation may discourage early action

Following traditional development paths, most countries lose most of their native forests



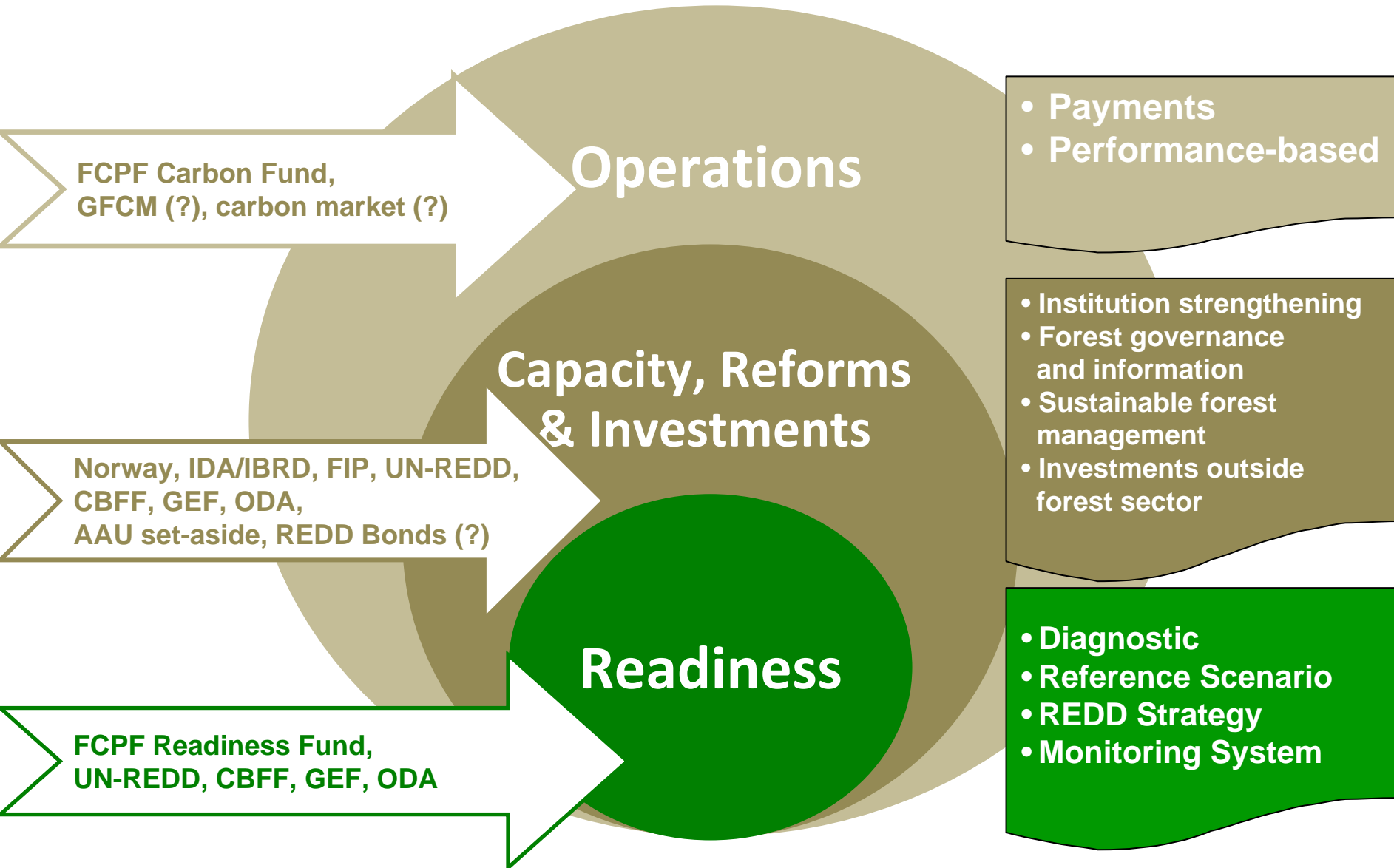
REDD+ can form a bridge on forest transition curve



REDD+: National or Sub-national?

- For the bridge to be built, REDD+ should be at the heart of national development policy
- Other reasons REDD+ should be handled at the national level
 - Projects may not achieve necessary scale
 - Leakage from projects
 - Benefit-sharing mechanisms may be necessary
- REDD+ implementation may have to start at sub-national level to gain experience and before sufficient financing is available
- Copenhagen: Depends on country circumstances
 - “National and, as appropriate, sub-national”...

The Three Phases of REDD+



FCPF = A Partnership to Make REDD+ Happen



Two Mechanisms

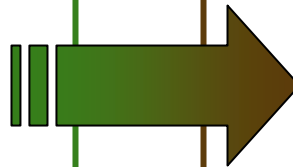
Readiness Mechanism

READINESS
FUND

*Capacity
Building*

(2008-2012?)

Target ~\$185 million
Available \$112 million



Carbon Finance Mechanism

CARBON
FUND

*Emission
Reductions*

(2010-2015?)

Target ~\$200 million
Available \$55 million

Fund Raising: Readiness Fund

Readiness Fund (US\$ million)

	Committed	On-Hand
AFD	5.2	5.2
Australia	9.6	9.6
Denmark	5.0	0.0
Finland	9.0	9.0
Japan	10.0	10.0
Netherlands	20.3	5.0
Norway	30.2	21.4
Spain	7.0	7.0
Switzerland	8.2	8.2
UK*	5.7	5.7
USA	5.0	5.0
	115.2	86.1

* Available in the Strategic Climate Fund

Fund Raising: Carbon Fund

Carbon Fund (US\$ million)

	Committed	On-Hand
EC	6.7	6.3
Germany	14.5	4.0
Norway	10.0	10.0
TNC*	5.0	5.0
UK**	18.8	18.8
TOTAL	55.0	44.1

* In the form of a Promissory Note

** Available in the Strategic Climate Fund

Financial Contributors to the FCPF

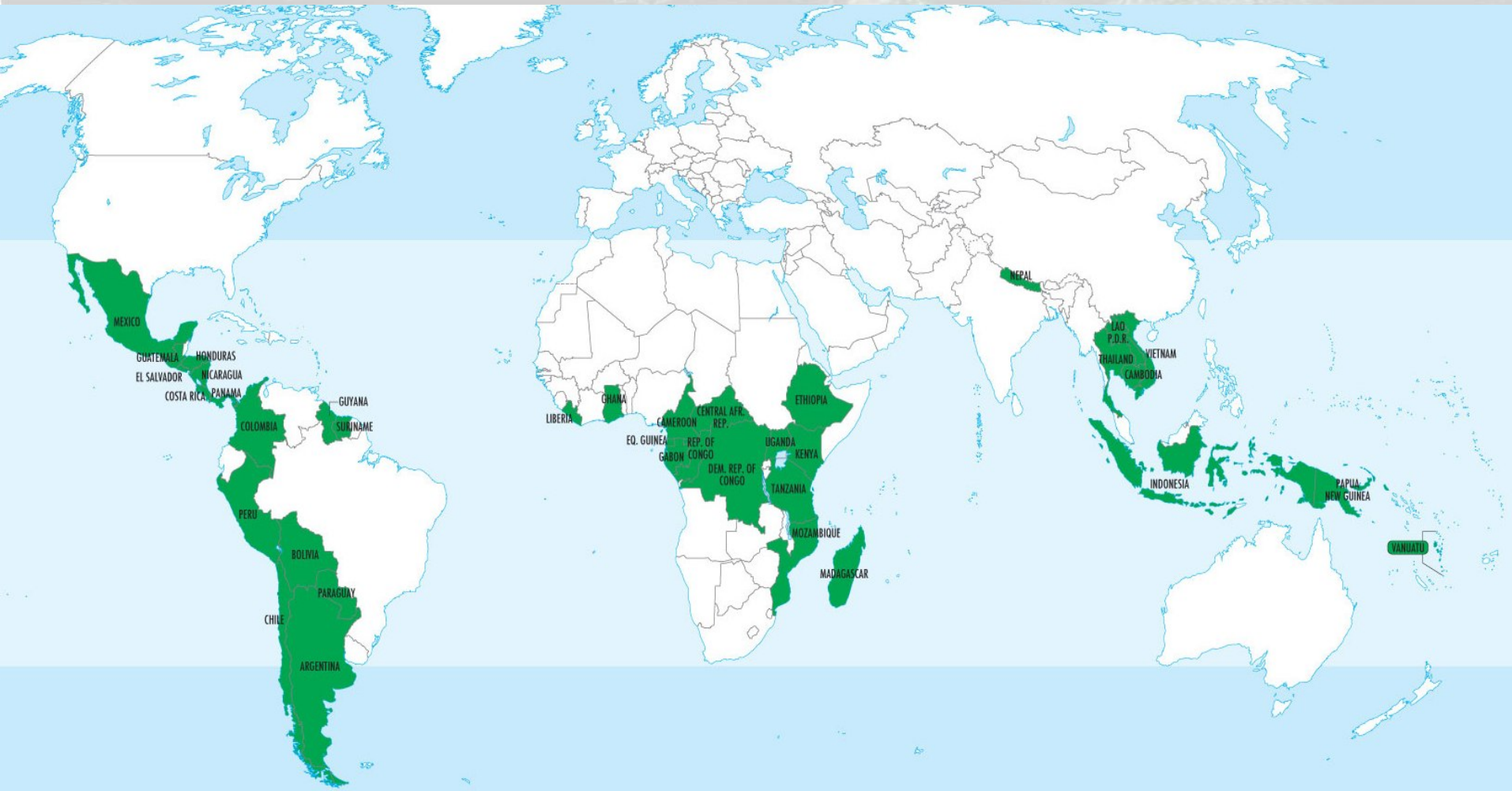
DONOR PARTICIPANTS

- 1.AFD
- 2.Australia
- 3.Denmark
- 4.Finland
- 5.Japan
- 6.Netherlands
- 7.Norway
- 8.Spain
- 9.Switzerland
- 10.United Kingdom
- 11.United States

CARBON FUND PARTICIPANTS

- 1.European Commission
- 2.Germany
- 3.Norway
- 4.The Nature Conservancy
- 5.United Kingdom

37 REDD Country Participants Selected



FCPF Participants by Region

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 December 31, 2009*

REDD Countries – Grant Status

Signed Grant Agreements:

Costa Rica
Democratic Republic of Congo
Ethiopia
Gabon
Ghana
Kenya
Lao People's Democratic Republic
Liberia
Nepal
Republic of Congo
Uganda

Not Signed Grant Agreements:

Argentina
Bolivia
Cameroon
Colombia
Guatemala
Guyana
Indonesia
Madagascar
Mexico
Panama
Paraguay
Peru
Vanuatu
Vietnam

Not yet eligible for Grants:

Cambodia
Central African Republic
Chile
El Salvador
Equatorial Guinea
Honduras
Mozambique
Nicaragua
Papua New Guinea*
Suriname
Tanzania
Thailand

**PNG has advised that until other countries have received FCPF grants, it will only seek resources from UN REDD and not from the FCPF.*

FCPF Governance

Technical Advisory Panels

Provide external technical
Advise and Assessments



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

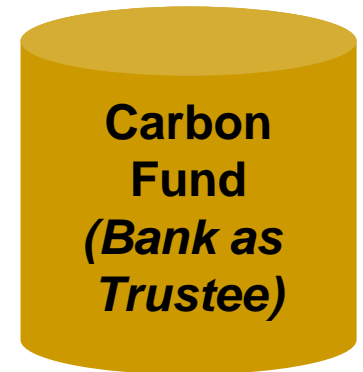
Participants Committee (PC) An elected subset of the PA with equal numbers of Donors and REDD Countries

Primary decision making body, including
all policy issues

Official Observers

Facility Management Team (FMT) (Bank)

Bank facilitates partnership and ensures
compliance with policies



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

FCPF: Current Arrangements

- World Bank fulfills several roles:
 1. Trustee
 2. Secretariat through Facility Management Team
 3. Implementing Entity through WB Regional operations

FCPF: Readiness Services

- As implementing entity, Bank provides two types of support:
 - Readiness preparation support: advice, feedback
 - Fiduciary and safeguard support
 - Procurement
 - Financial management
 - Environmental and social safeguards

The role of the TAP (own perspective)

- Plays a supportive role in the process towards Readiness and functions in a collaborative manner
- Recognizes the difficulties (for the countries and the TAP) inherent in the process (e.g., to identify precisely what is needed to deliver at this stage)
- Recognizes that some of the issues are much broader than can be fully solved in an R-PP
- Assesses if certain criteria and standards are being met; not to assess appropriateness of standards and criteria nor make recommendations about funding
- Recommendations are meant to assist the countries to meet the criteria and standards set

FCPF: The Big Picture

Established collaborative partnership & transparent platform for meaningful exchanges on REDD issues

- **Pioneered REDD readiness preparation process**
- **Countries actively preparing for readiness**
- **Due to high demand, REDD Country participation increased from 0 to 20 to 37**
- 37 REDD Country Participants
- 11 Donor Participants
- 5 Carbon Fund Participants
- 6 Observers
- Others
 - Brazil (South-South cooperation)
 - Global Environment Facility
 - World Bank Institute
 - Technical assistance service providers

Readiness Organization

- What does it mean to 'do REDD'?
- Created templates/processes to facilitate Readiness:
 - Process of country submissions and reviews:
 - Readiness Preparation Idea Note (R-PIN)
 - Readiness Preparation Proposal (R-PP)
 - Readiness Package (R-Package)
 - Reviews by
 - Technical Advisory Panel
 - World Bank team
 - Participants Committee + Observers
 - Application of environmental and social due diligence framework
 - Strategic Environmental and Social Assessment (SESA)
 - Consultation and Participation guidance

Readiness Activities in the FCPF (1)

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

Readiness Activities in the FCPF (2)

- Phase 1: Formulation of R-PP
- Contents of R-PP:
 - Organizational arrangements for REDD
 - Consultation and Participation Plan
 - Diagnostic of causes of deforestation and forest degradation
 - Terms of reference for:
 - REDD strategy & implementation framework
 - Reference scenario
 - MRV design
 - Budget & timeline
- R-PP template available at www.forestcarbonpartnership.org

Readiness Activities in the FCPF (3)

- Phase 2: Readiness Package preparation
- Contents of Readiness Package: design of the national 'REDD+ infrastructure'
 - REDD+ strategy & implementation framework
 - Reference scenario
 - MRV system
 - National REDD+ management arrangements

From Readiness to Emission Reductions Payment Agreement (ERPA)



1. Reference Scenario
2. Monitoring System
3. REDD+ Strategy
4. Management arrangements

Preparing for Readiness: Country Status

- Three countries presented R-PPs to PC3 (June 2009)
 - Panama, Guyana, Indonesia
 - PC assessed the R-PPs and allocated US\$3.6 million to each of these three countries for readiness preparation, authorizing the World Bank to finalize due diligence to prepare grant agreement (incl. safeguards, procurement and financial management reviews)
 - PC requested the three countries to address the key issues identified in the “Summary Report” and the assessment by the TAP
- Two countries presented draft R-PPs to PC4 (October 2009)
 - Ghana, Suriname

Free, Prior and Informed Consultation, Leading to Broad Community support

- Operational Policy 4.10 on Indigenous Peoples (2005) establishes the need for “free, prior and informed consultation” resulting in “broad community support”
- Implementation of OP 4.10 being reviewed by Management
- Guidance note on Consultation and Participation:
 - Available at www.forestcarbonpartnership.org
 - Cross-referenced in the R-PP template
 - Being harmonized with UN-REDD guidance on stakeholder engagement
 - Being harmonized with Forest Investment Program guidelines for consultations

Forests and Climate Change: World Bank-Managed Instruments

**Carbon
Funds**
\$2.3 billion*

**Climate Investment
Funds**
~ \$6 billion

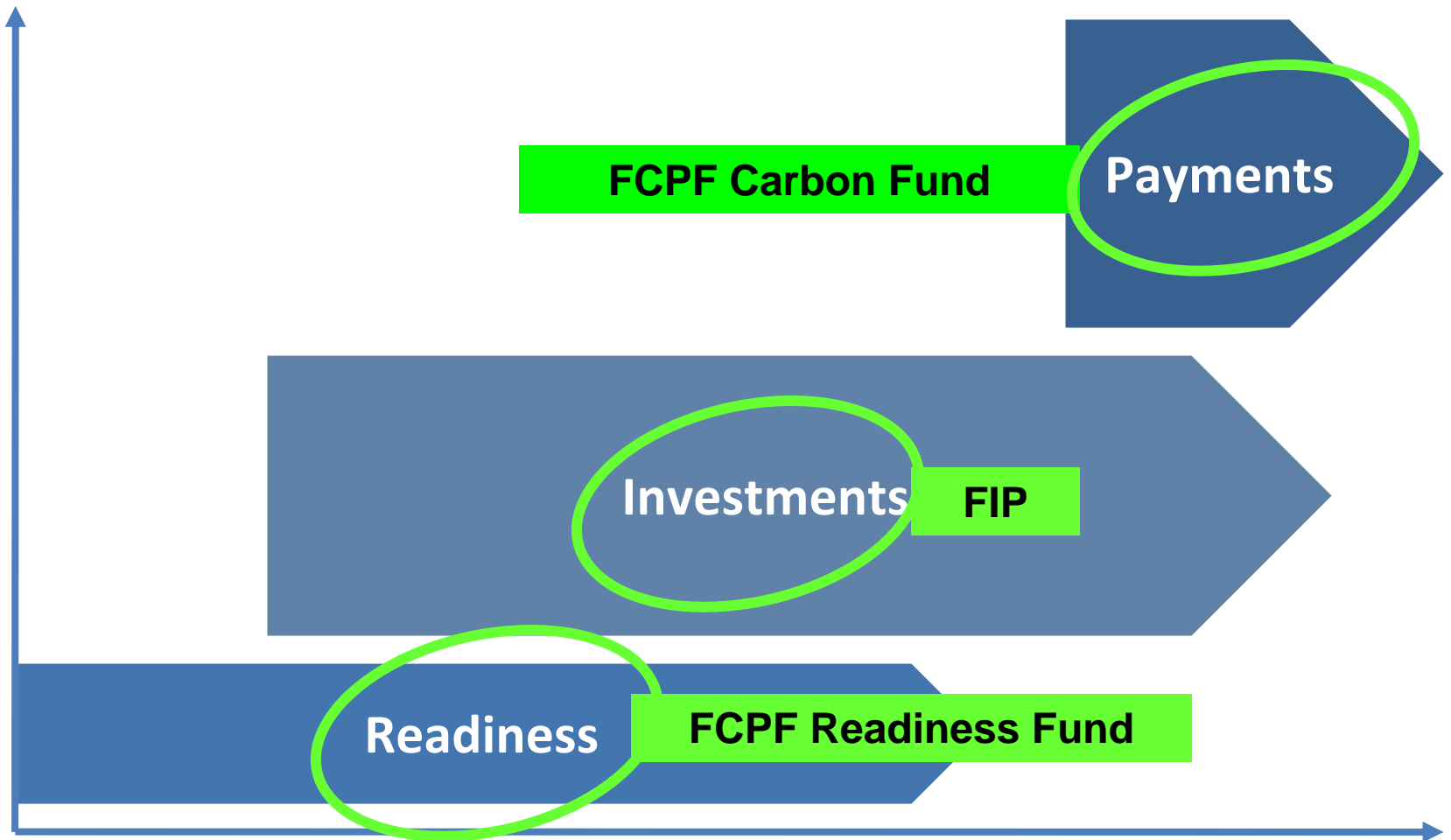
**BioCarbon Fund
(BioCF)**
\$90 million

**Forest Carbon
Partnership Facility
(FCPF)**
\$167 million

**Forest Investment
Program
(FIP)**
\$356 million

Growing Forests Partnership (GFP)
\$15 million

FCPF/FIP Sequencing



Advanced Partnership with UN-REDD Programme

- Formal agreement to cooperate approved by PC Oct. 2008
- Joint missions
 - DRC , Indonesia, Panama , PNG, Vietnam
- Joint presentations/discussions
 - CoP14 & CoP15
 - Norwegian Parliament
 - Council on Forestry
 - Informal Working Group on Interim Finance for REDD
- Progress in harmonizing processes
 - R-Plan/R-PP and NJP
 - Guidance on consultation and participation
 - Common Roster of Experts
 - Cooperation on MRV guidance
- Some countries have requested further integration of FCPF, UN-REDD and FIP

Upcoming Meetings

- Week of March 22-26, 2010 (La Lopé, Gabon)
 - Participants Committee 5
- Week of June 21-25, 2010 (Guyana)
 - Participants Committee 6
- Week of October 25-29, 2010 (Washington, DC)
 - Participants Assembly 3 + Participants Committee 7
- March 2011 (Vietnam has offered to host)
 - Participants Committee 8
- June 2011 (Norway has offered to host)
 - Participants Committee 9



THANK YOU

www.forestcarbonpartnership.org

www.carbonfinance.org