



# Forest Carbon Partnership Facility Role in REDD Readiness in Africa

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*Drawn from a presentation by*

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# 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

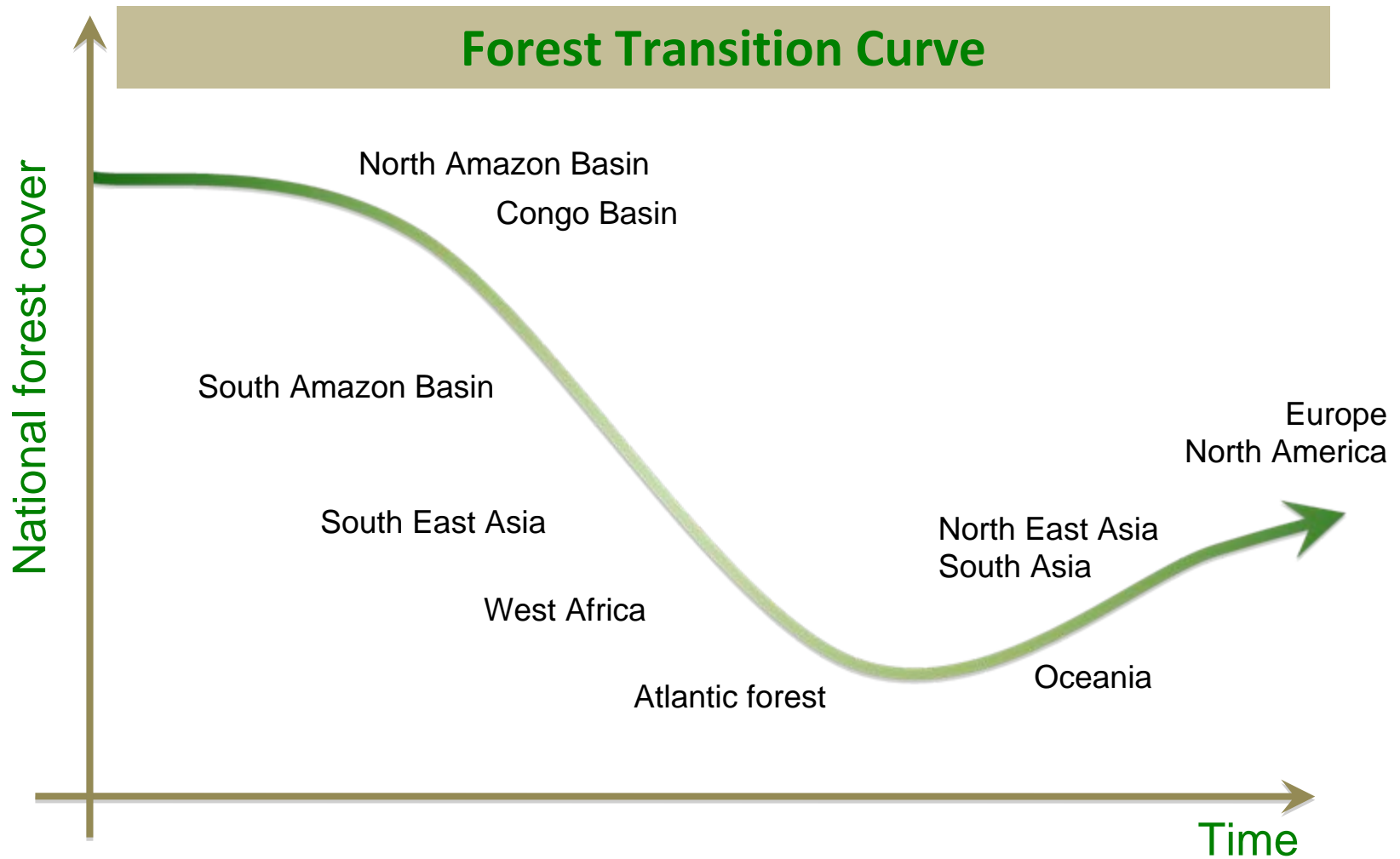


# 'REDD plus'

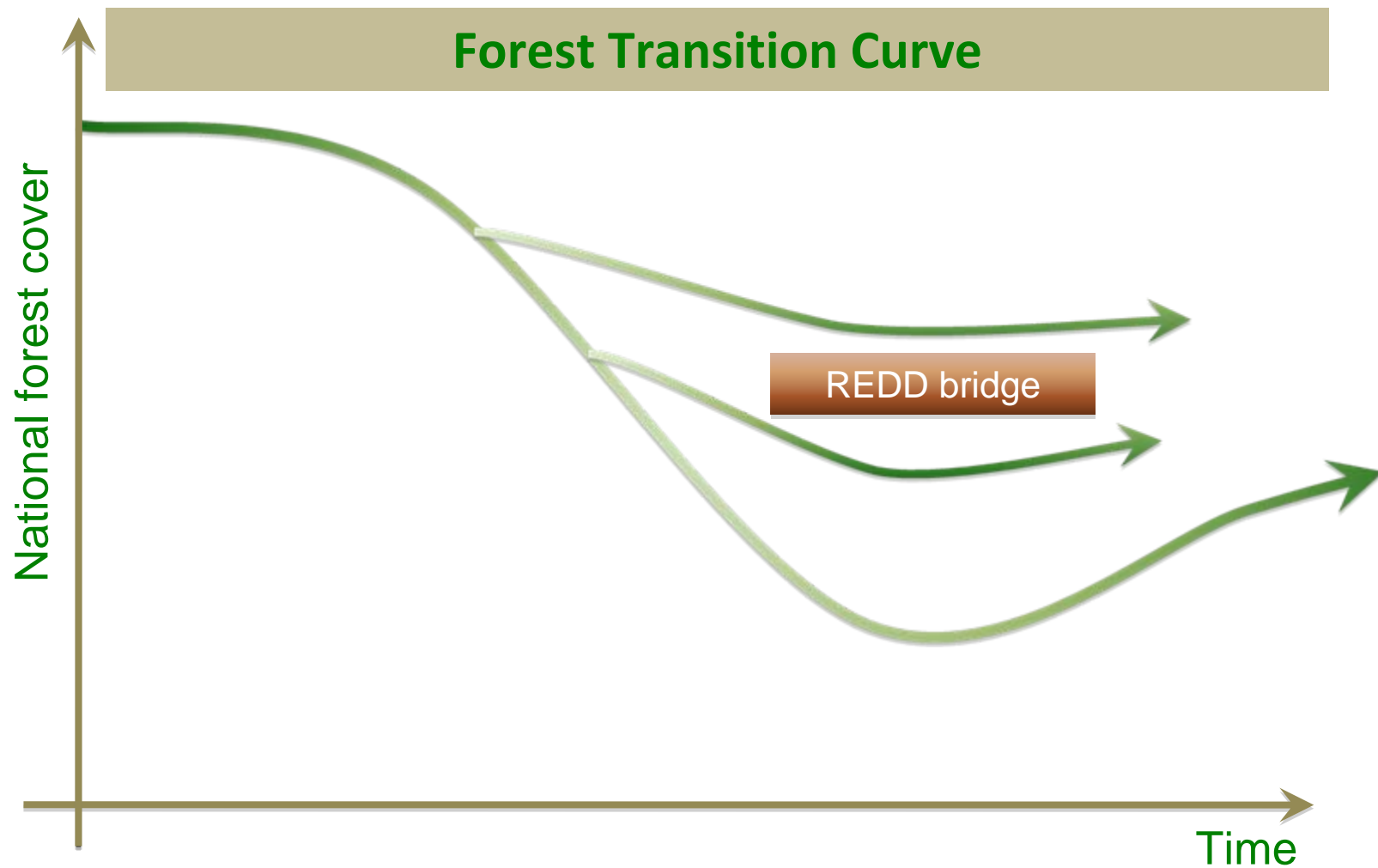


- Bali Action Plan calls for *“policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries”*.
- 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

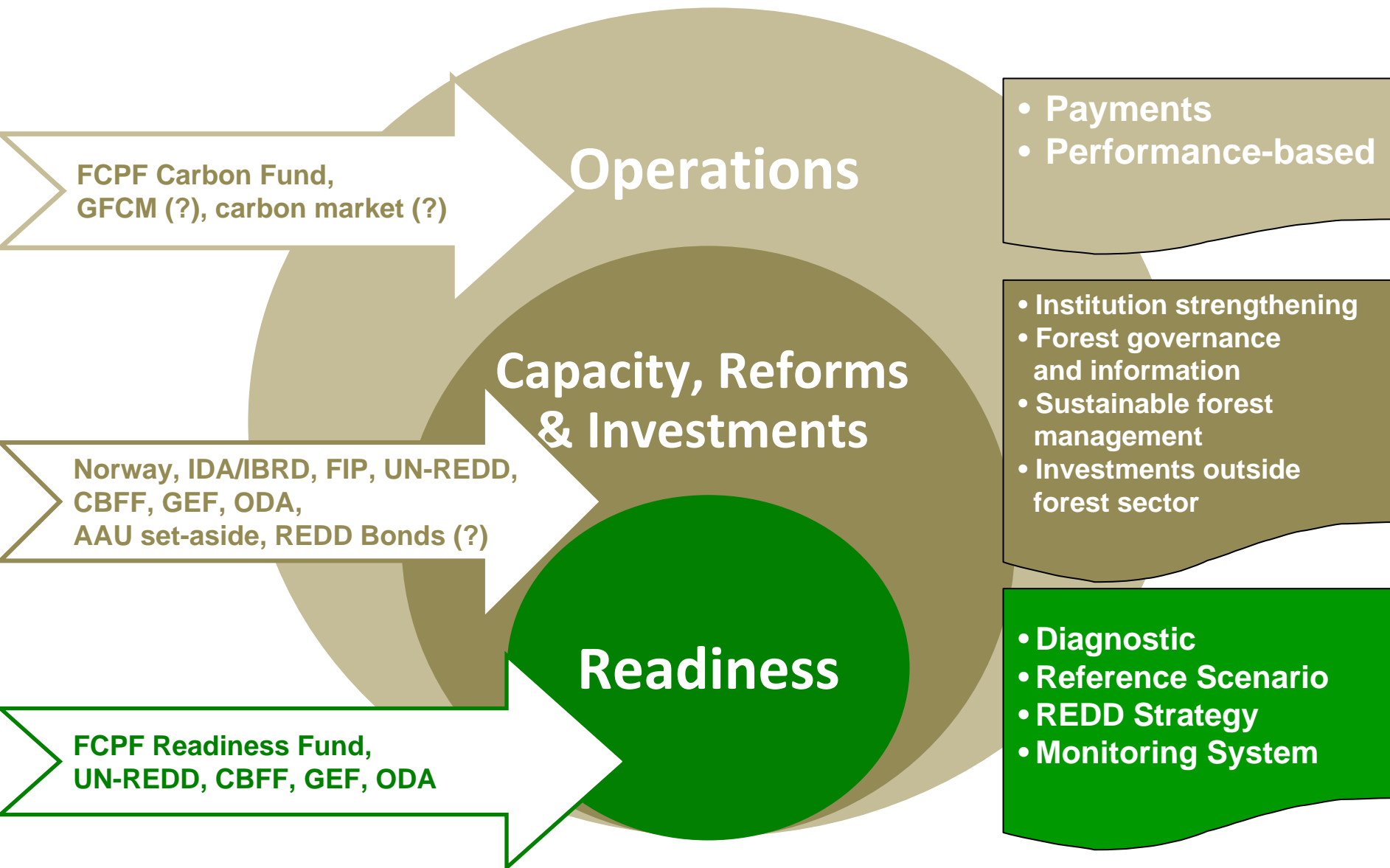




# REDD+: National or Sub-national?

- 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
	<b>115.2</b>	<b>86.1</b>

\* Available in the Strategic Climate Fund

# Fund Raising: Carbon Fund

## Carbon Fund (US\$ million)

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

\* In the form of a Promissory Note

\*\* Available in the Strategic Climate Fund

# Financial Contributors to the FCPF

## DONOR PARTICIPANTS

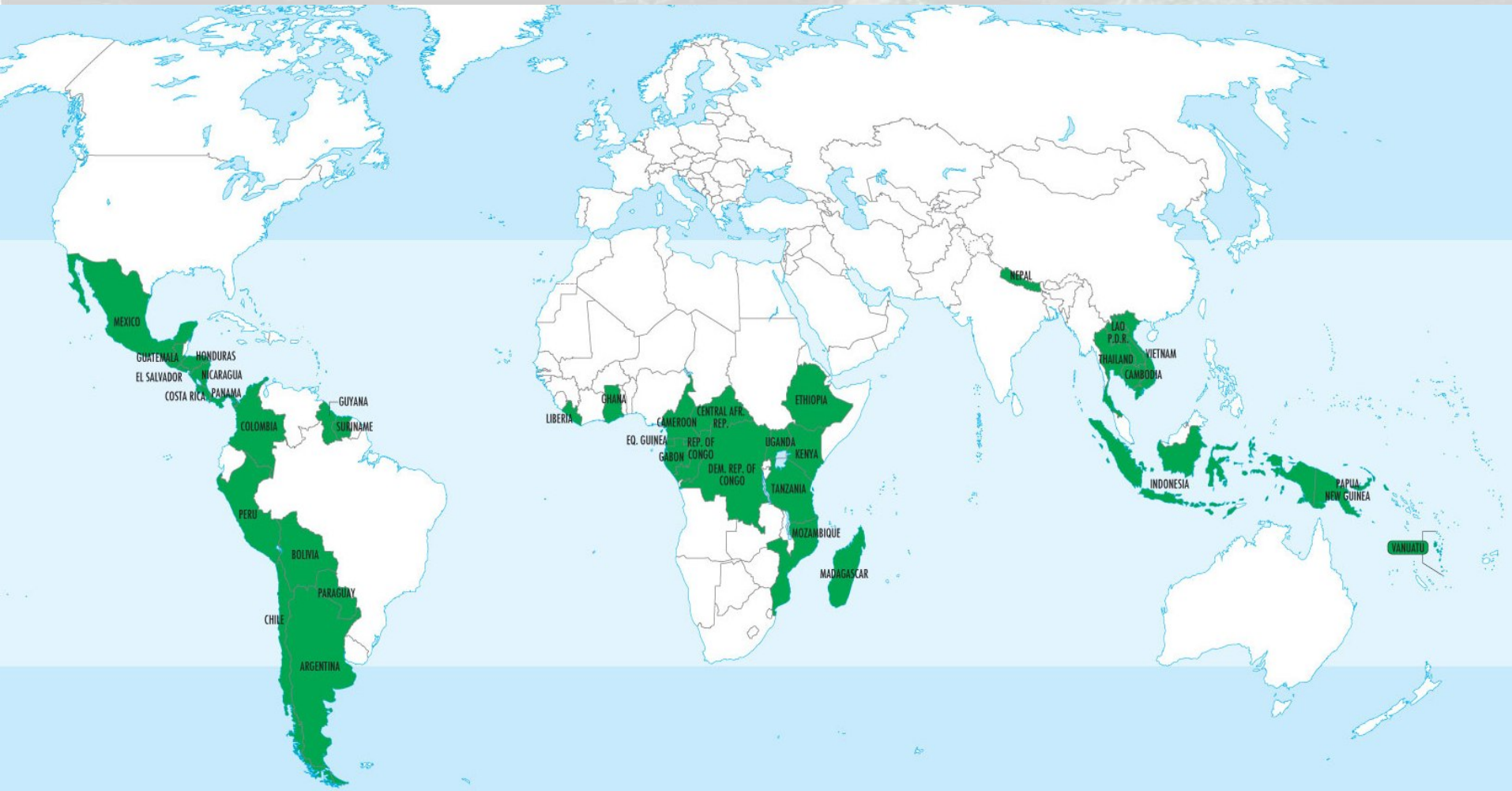
- 1.AFD
- 2.Australia
- 3.Denmark
- 4.Finland
- 5.Japan
- 6.Netherlands
- 7.Norway
- 8.Spain
- 9.Switzerland
- 10.United Kingdom
- 11.United States

## 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

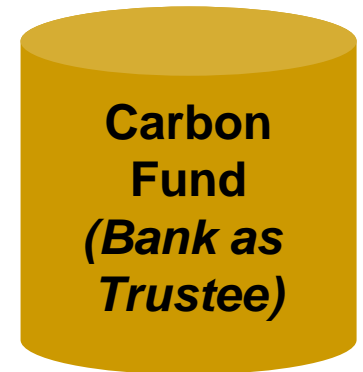
## Participants Committee (PC) An elected subset of the PA with equal numbers of Donors and REDD Countries

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
<b>DRC</b>	Papua New Guinea
<b>Gabon</b>	Suriname
<b>Ghana</b>	<b>Tanzania</b>
<b>Kenya</b>	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](http://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](http://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**

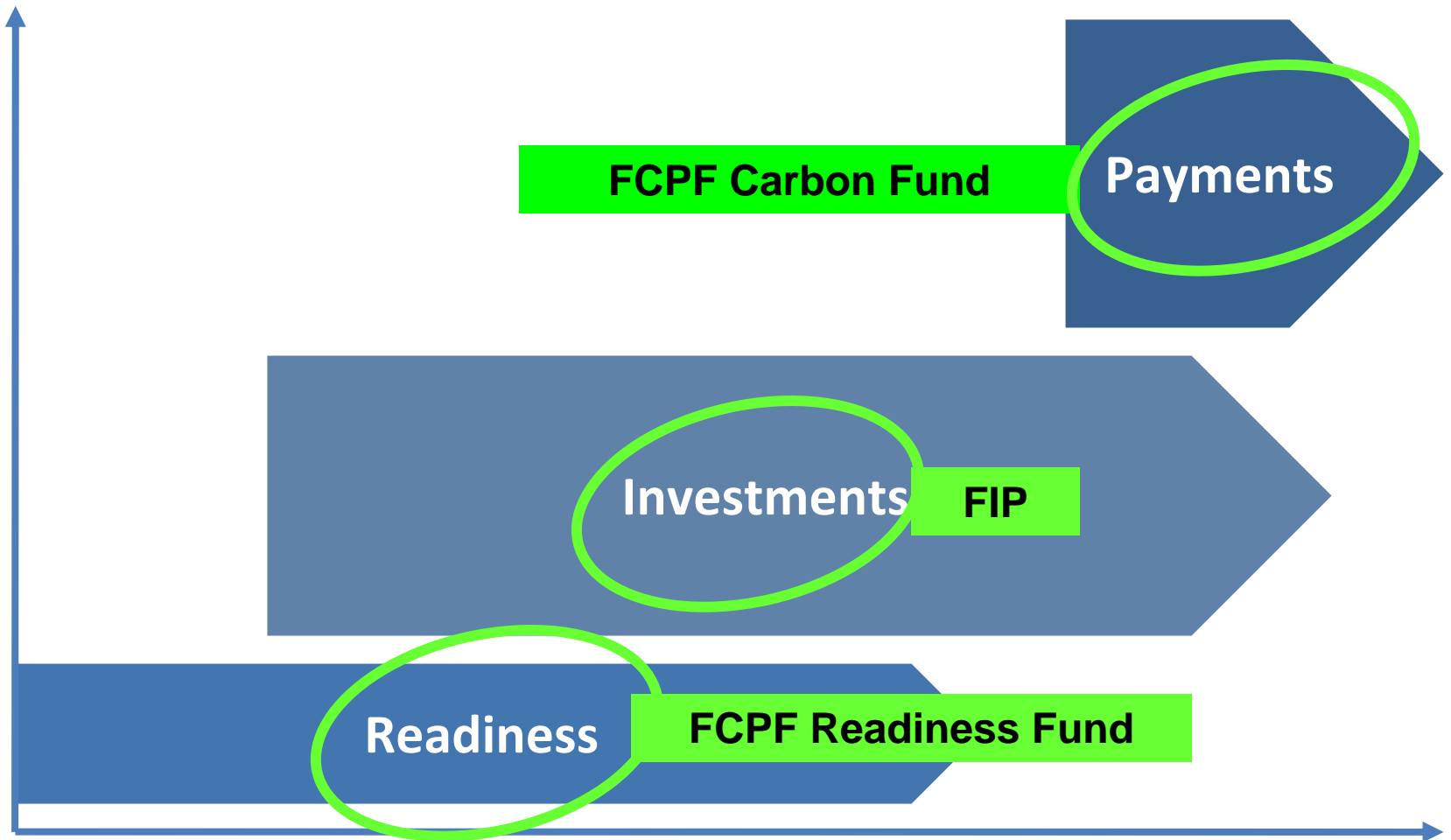
**Forest Carbon  
Partnership Facility  
(FCPF)**  
**\$167 million**

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

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