



Forest Carbon Partnership Facility

Progress update

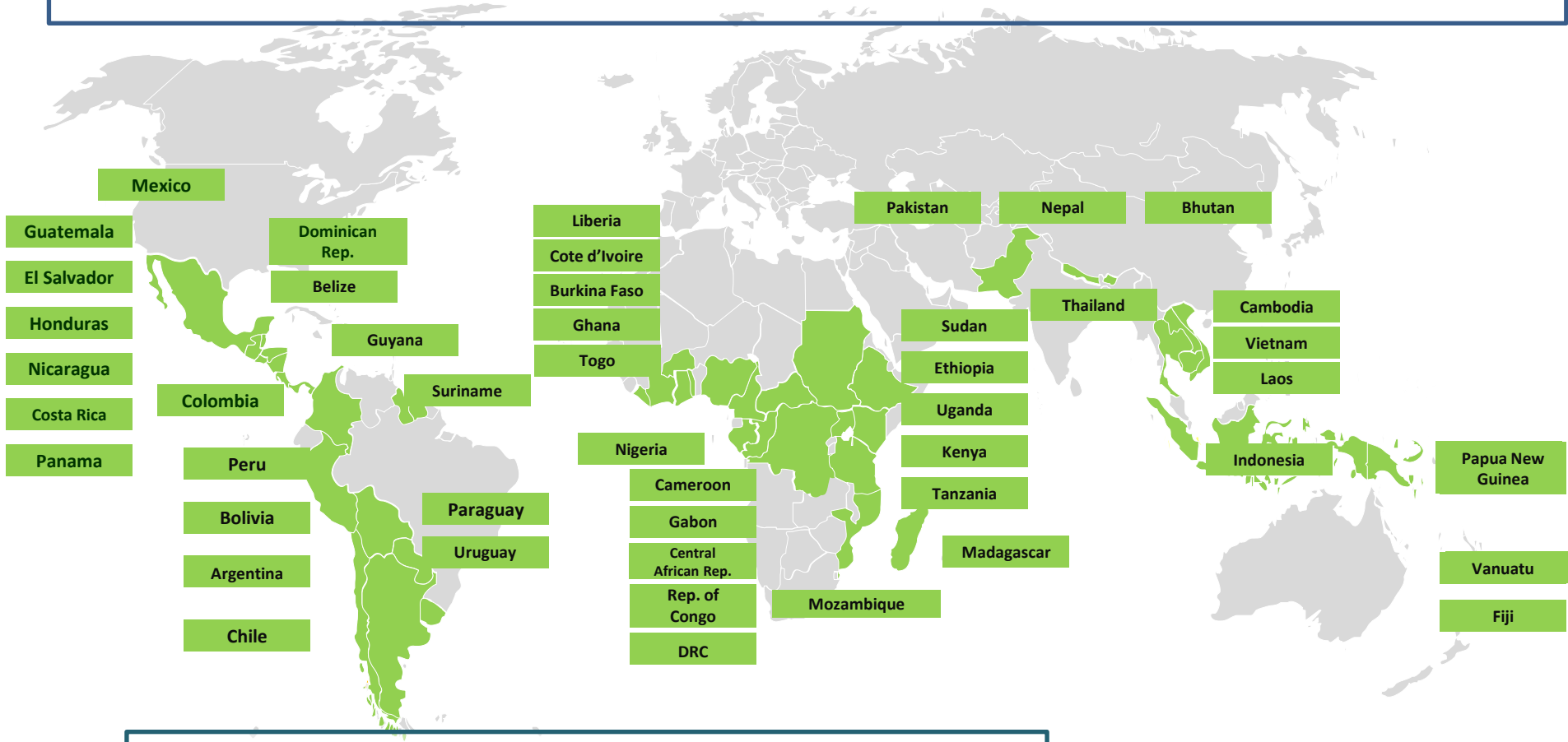
Forest Investment Program
Sub-Committee Meeting
November 19, 2014

An aerial photograph of a dense tropical forest, showing a vast expanse of lush green trees and vegetation. The canopy is thick and textured, with varying shades of green. The text is overlaid in the center of the image.

Status of the Readiness Fund?

Readiness Fund

\$830m total funding for the FCPF: Readiness Fund (\$360m); Carbon Fund (\$470m)



**Readiness Fund (47 countries,
(18 Africa, 18 LAC and Caribbean, 11 in Asia);**

Readiness Fund

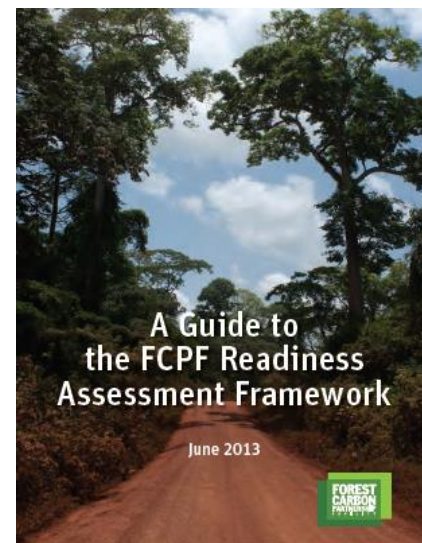
Grant allocations and disbursements:

- **11 new countries selected into the FCPF:** Belize, Bhutan, Burkina Faso, Cote d'Ivoire, Dominican Republic, Fiji, Nigeria, Pakistan, Sudan, Togo, and Uruguay
- **\$191m has been allocated for Readiness Grants**
- **24 Readiness Grants signed to date** (15 in FY14 and FY15); **\$96.2m available for REDD+ readiness** through grant agreements

Readiness Fund

Readiness Progress:

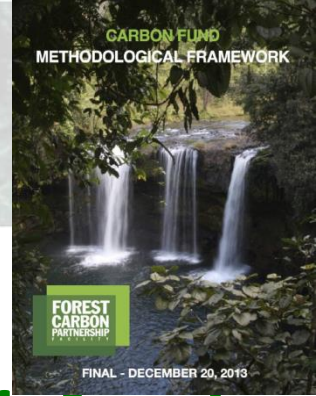
- **6 countries** (Costa Rica, DRC, Ghana, Indonesia, Liberia, Nepal) **have reached mid-term of REDD+ readiness** to date (5 in FY14 and FY15)
- **Readiness Assessment Framework** was approved in FY13 and process has been defined in more detail in FY14 in **anticipation of forthcoming submissions of R-Packages in 2015**
- **First REDD country expected to submit R-Package in early 2015**



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Status of the Carbon Fund

Carbon Fund



Operating framework in place:

- **Approval of the Methodological Framework for the Carbon Fund** in December 2013 unlocked financing and prompted momentum as countries competed to present their ideas for land-based carbon innovation at scale.
- **Pricing Approach** has been discussed over last year, early price signals have been indicated by buyers
- **Approval of General Conditions for the future Emission Reductions Payment Agreements (ERPA)** at the latest meeting (PC18) in Arusha completed the operational framework and the legal underpinning to implement future results-based finance at scale.

Carbon Fund

Pipeline of large-scale REDD+ Programs developed:

- To date **15 countries presented early ideas and ER-PINs**
- **11 ideas for Emission Reductions Programs selected into the Carbon Fund pipeline;** Chile, Costa Rica, Democratic Republic of Congo, Ghana, Guatemala, Indonesia, Mexico, Nepal, Peru, Republic of Congo, and Vietnam
 - **Latest additions were Guatemala, Indonesia, and Peru** at CF11 in October 2014.
- **3 countries have signed Letters of Intent (LoI)**
 - Costa Rica, DRC, Rep of Congo
 - Several others will be signing in the next weeks and months.
- **Discussions on extension of the lifetime of the Carbon Fund (beyond 2020), and potentially opening up Carbon Fund pipeline**

Private Sector Engagement

- **New approach to private sector investments:** private sector no longer approached to purchase carbon assets or invest in the Carbon Fund, but instead...
- **...new relationships built with private sector as partner to provide scaled-up investments at the program level.**
Examples: cocoa production/sourcing in Ghana, wood production in Costa Rica, concession management in RoC.



Key achievements

- **FCPF has catalyzed the creation of recognized standards for REDD+ (for Readiness and Emission Reduction Programs under Carbon Fund)**
- **Enhanced capacity of Indigenous Peoples and CSOs to engage in REDD+ processes**
- Total of \$1,732,844 allocated to finance 25 projects in Asia, Latin America, and Africa under Phase 1 of the IP/CSO Capacity Building Program
- **Non-FCPF investments under R-PP process**
 - Countries reported leveraging at least **\$81 million in non-FCPF investments in readiness** (not exhaustive; reflects reporting from 14 countries).
 - Countries leveraged at least \$594 million for investments and for implementation of ER-Programs (not exhaustive; reflects reporting from 9 countries).

Key achievements

- **Design of national REDD+ strategies, monitoring systems and Safeguards Information System:**
- The DRC's National REDD+ Framework Strategy, developed through national multi-stakeholder processes, is an example of how **indicators for the enhancement of livelihoods and biodiversity conservation have been incorporated in the national approach to REDD+.**
- The Indonesian REDD+ Task Force has developed **Principles, Criteria and Indicators for REDD+ Safeguards in Indonesia (PRISAI)** which consist of 10 governance, social, and environmental safeguard principles. While Min of Forestry has developed SIS to address UNFCCC Cancun Safeguards
- In Costa Rica, FONFIFO has advanced the development of a **Safeguards Information System (SIS). Work is also ongoing on quantifying non-carbon benefits.**
- **Number of policy reforms initiated, completed or underway**
- July 2013: **Guatemala** adopted the Framework Law on Climate Change; proposed PROBOSQUES Law now before Congress (will scale up forest incentive programs)
- *Dec 2013:* **Mozambique** adopted regulation (Decree 70/2013) that establishes rules and procedures to guide investments in REDD+

Summary messages

The FCPF had a number of watershed moments in FY14:

Readiness Fund:

- 45 (of 47) countries have approved R-PPs, grant agreements have more than doubled, disbursement are increasing exponentially, and an increasing number of countries has reached mid-term.
- Hopefully, readiness progress in the 11 new countries can be accelerated building on the lessons of the early movers in the Readiness Fund.

Carbon Fund:

- All guiding frameworks are now in place and the pipeline has been filled as per current capitalization levels.
- Focus is now on operationalizing large-scale REDD+ programs.



An aerial photograph of a vast, dense forest. The trees are mostly green, with some brownish patches indicating dead or dormant trees. In the upper right corner, a body of water is visible, possibly a lake or a wide river. The overall scene is a lush, natural landscape.

Thank You!

www.forestcarbonpartnership.org