



WORLD BANK GROUP

Climate Change

**FOREST
CARBON
PARTNERSHIP**
F A C I L I T Y

Overview of international
experience (status and trends)
and pre-requisites of carbon
offsets in forestry



Forest Carbon Partnership Facility

- The Forest Carbon Partnership Facility (FCPF) is a global partnership of governments, businesses, civil society, and Indigenous Peoples focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, the sustainable management of forests, and the enhancement of forest carbon stocks in developing countries, activities commonly referred to as REDD+.
- The FCPF works with 47 developing countries across Africa, Asia, and Latin America and the Caribbean, along with **17 donors that have made contributions totaling \$1.3 billion.**
- The FCPF supports REDD+ efforts through its Readiness and Carbon Funds.
- The FCPF is focused on tropical and sub-tropical forested countries

DONORS



European
Commission



Australia



Canada



Denmark



Finland



France



Germany



Italy



Japan



Netherlands



Norway



Spain



Switzerland



United
Kingdom



United States
of America



Where we work

The FCPF collaborates with 47 developing countries across Africa, Asia-Pacific, and Latin America and the Caribbean.



Objectives

- To assist countries in their REDD+ efforts by providing them with financial and technical assistance in building their capacity to benefit from possible future systems of positive incentives for REDD+.
- To pilot a performance-based payment system for REDD+ activities, with a view to ensuring equitable benefit sharing and promoting future large-scale positive incentives for REDD+.
- Within the approach to REDD+, to test ways to sustain or enhance livelihoods of local communities and to conserve biodiversity.
- To disseminate broadly the knowledge gained in the development of the facility and the implementation of Readiness Preparation Proposals and emission reductions programs.

Approach



- Follow relevant standards (FCPF Methodological Framework), including IPCC methodology and other international best practices and standards on carbon accounting
- Jurisdictional or national – large-scale, not small projects (one step down from national)
- Independent third party validation and verification of emission reductions, in public view



Signed agreements

To date, the FCPF Carbon Fund has signed twelve Emission Reductions Payment Agreements (ERPAs) with **Chile, Costa Rica, Côte d'Ivoire, DR Congo, Fiji, Ghana, Indonesia, Lao PDR, Madagascar, Mozambique, Nepal, and Vietnam**, respectively. These payment agreements have unlocked up to \$602 million in performance-based payments from verified emission reductions through landscape-scale programs.

The remaining ERPAs with **Dominican Republic, Republic of Congo, and Guatemala** are expected to be signed in 2021.

Lessons Learnt



- Can be a long and complicated process but now, with greater clarity over requirements, can be shorter and easier
- Many no-regrets activities including i) assessment of drivers of deforestation, ii) developing strategies for improved forest management, iii) a validated reference level, iv) inter-ministerial engagement in forests, v) valuation of natural capital within economic decision-making,
- Need to consider payments in relation to costs – opportunity or transaction costs?

Looking ahead



- **CERF:** The Climate Funds Management Unit in the Climate Change Group in the World Bank is designing a Climate Emissions Reduction Facility or CERF (pronounced “surf”). This will be a new Umbrella Trust Fund in the World Bank designed to make payments for Emissions Reductions.
- **Pillars:** One of the three pillars of the CERF is for Natural Climate Solutions (or NCS), including forests and REDD+, likely based on many of the principles of FCPF
- Still in process of development and launch. Details will evolve over the coming months.
- Focus is on using Results-based climate finance (RBCF) **to enhance World Bank client country support** to achieve low-carbon development.
- RBCF can support client countries to implement and increase ambition of their NDCs, usually by complementing development lending
- Not limited to only tropical forested countries

For more information:

<https://www.forestcarbonpartnership.org/>

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