



# Forest Carbon Partnership Facility

## Carbon Fund ER Program Preparation Costs

Third Meeting of the FCPF Carbon Fund (CF3)

Asunción, Paraguay

March 24 and 26, 2012

# Background

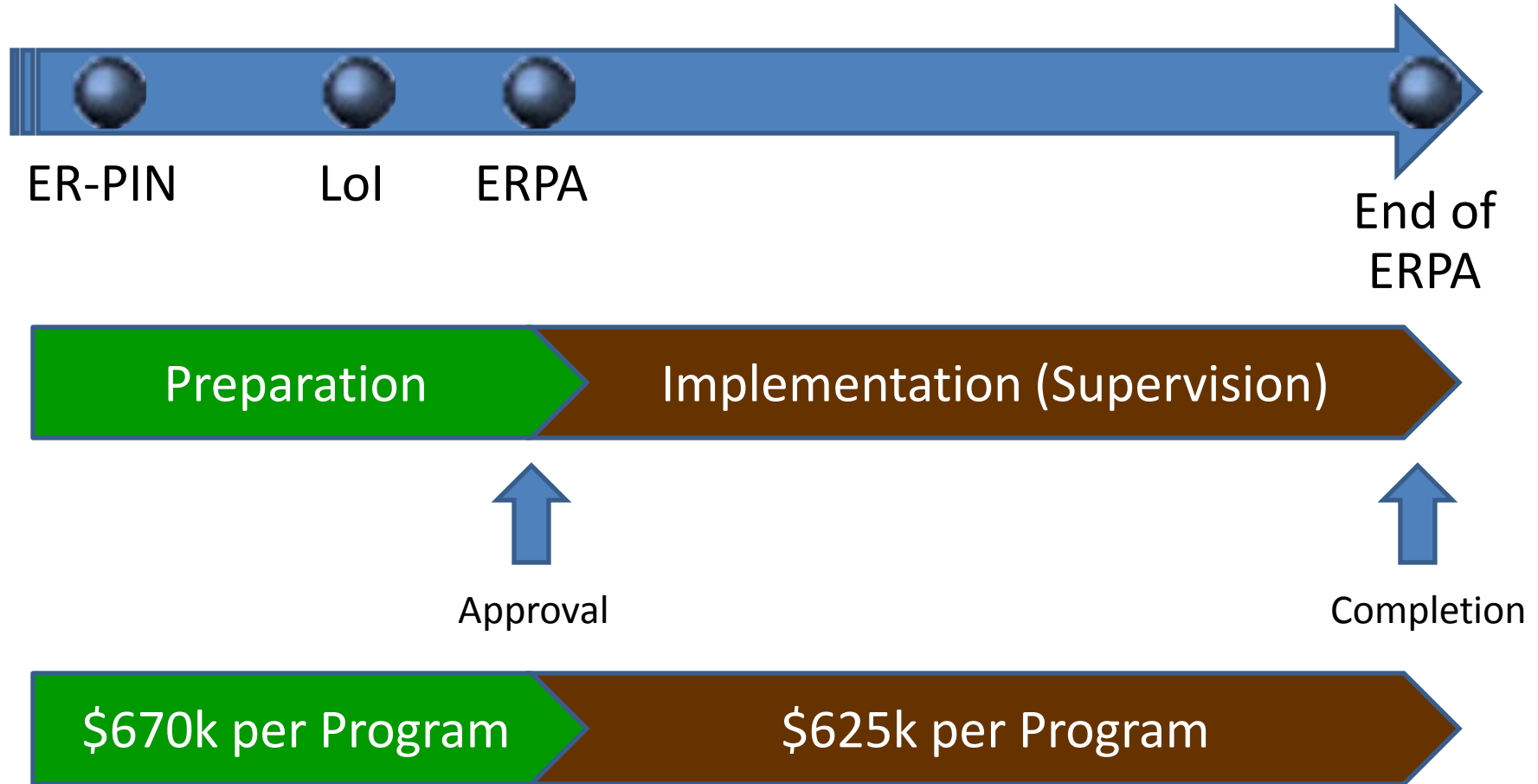
- Carbon Fund budget for FY12 (Barcelona, May/June 2011)
  - Introduced Carbon Fund expense categories, including ER Program Costs
  - Approved a budget of \$60,000 for early development of ER Programs
- Considered ER Program Costs as part of the Long-Term Plan (Berlin, October 2011)
  - Broad estimates of overall costs based on experience within other carbon funds managed by the Carbon Finance Unit of the World Bank, particularly the BioCF, and from costs of forestry projects provided by external organizations
  - Examples of forestry programs is limited
- Categorized ER Program Costs into
  - Preparation (development and selection costs)
  - Supervision and implementation support
  - Verification and issuance costs
- This presentation is focusing on Preparation Costs (development and selection costs)

# Recap of Long-Term Plan (ER Program Costs)

ER Program costs	NEW ESTIMATES				
	Cost per year (\$000s)	No of years	Cost per project (\$000s)	No of projects	Total Cost (\$000s)
Preparation			670	5	3,350
Preparation (dropped)			200	3	600
Supervision	125	5	625	5	3,125
Validation				5	
Verification	50	5	250	5	1,250
<b>Total ER Program Costs</b>				<b>5</b>	<b>8,325</b>

# Summary of Milestones and Estimated Costs

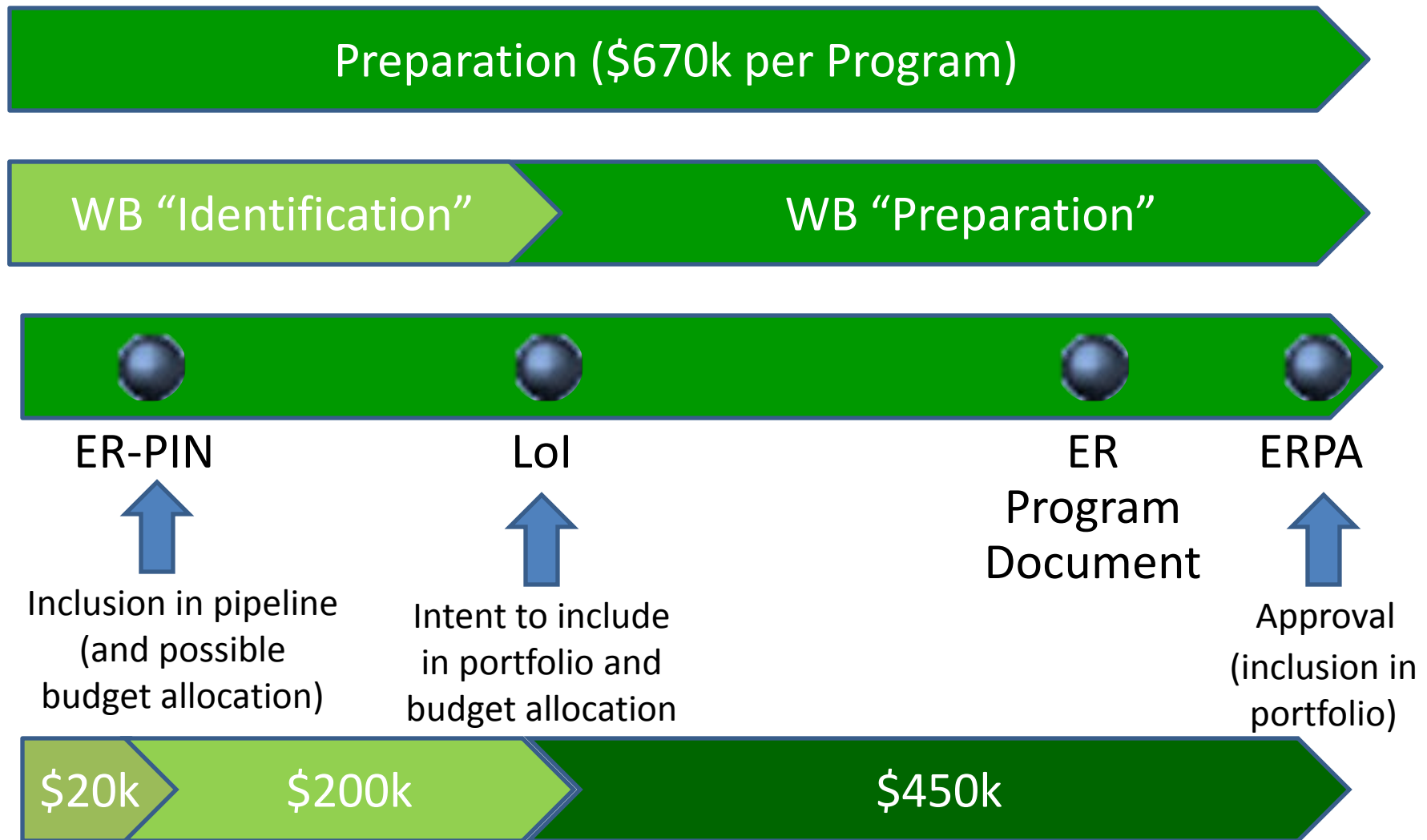
## Carbon Fund Milestones



# Types of Preparation Costs

Types of Preparation Costs	
Developing and refining program design	
Pre-ERPA outreach events	
Legal costs	
World Bank due diligence	
TAP review	
Stakeholder consultations	
Development of ER Program Document	
<b>TOTAL Preparation Costs</b>	<b>\$670k</b>

# Proposed Timing and Level of Preparation Costs



# Decisions

- Do the CF Participants agree with an allocation for ER-PIN development of \$20k per Program for up to say 8 Programs?
  - \$160k total, of which \$60k is included in the approved FY12 budget
- Do the CF Participants agree with the allocation of a budget of \$200k per Program at ER-PIN stage, prior to Lol, to further develop ER-PIN and/or begin to develop the ER Program Document?
  - It is expected that this allocation would be dependent on the agreement of the CF Participants to include the Program in the pipeline
- Do the CF Participants agree with the allocation of \$450k at Lol stage to finalize the ER Program Document?
  - \$450k = remainder of the \$670k per Program



THANK YOU!

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