



# Forest Carbon Partnership Facility

## Strategic Discussion on Use of Additional Funds

Sixth Meeting of the Carbon Fund (CF6)

Washington, DC

March 15-16

# Background

- Carbon Fund Long-Term Financial Plan presented at CF5 in Paris in October 2012
- Committed Funding in October 2012 was \$219 million
- Substantial additional contributions from Norway and Germany: Committed funding now \$390 million
- Summary slide of that Long-Term Financial Plan presentation – next slide

# Carbon Fund Sources and Uses – October 2012

<b>Carbon Fund Sources and Uses Summary (\$m)</b>		
	<b>Committed Funding</b>	<b>Capital Target</b>
	<b>US\$m</b>	<b>US\$m</b>
<b>Sources</b>	<b>219.0</b>	<b>350.0</b>
<b>Number of ER Programs</b>	<b>5</b>	<b>5 - 8?</b>
<b>Uses</b>		
Long-Term Fixed Costs (FY10 to FY20)	(16.5)	(16.5)?
ER Program Costs	(8.4)	(8.4) - (13.4)
<b>Total Costs</b>	<b>(24.9)</b>	<b>(24.9) - (29.9)</b>
<b>Available for Purchase of ERs</b>	<b>194.1</b>	<b>320 - 325</b>
<b>As a share of capital (%)</b>	<b>89</b>	<b>91 - 93</b>
<b>Average ER Program (\$m)</b>	<b>39</b>	<b>40 - 65?</b>

# Carbon Fund Sources and Uses – March 2013

Carbon Fund Sources and Uses Summary (US\$m)		
Number of ER Programs	5	8
Pipeline required	8?	12?
Sources	390	390
Uses		
Long-Term Fixed Costs (FY10 - FY20)	(18)	(18)
ER Program Costs	(9)	(14)
<b>Total Costs</b>	<b>(27)</b>	<b>(32)</b>
Available for Purchase of ERs	363	358
As a share of capital (%)	93%	92%
Average ER Program	73	45

# Building the Portfolio: Timing

- Timing: Fund Terminates 31 December 2020
- ERPA Term: 5 years?
- Sign ERPAs by December 2015
- Require ER-PINs by December 2013 or June 2014?
- To build the portfolio: 8 programs requires a larger pipeline (12 ER-PINs?) whereas 5 programs may require 8 ER-PINs

# Questions to Consider

- ERPA Term
- Feasible size of programs
- Size of pipeline required to build portfolio
- Timing of ER-PINs and ERPAs
- Portfolio questions:
  - Number of programs
  - Nature of portfolio
  - Advisory Group/sub-committee?



THANK YOU!

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