



# Forest Carbon Partnership Facility

## 6. FY14 Annual Budget of the Readiness Fund

Fifteenth Participants Committee Meeting (PC15)  
Lombok, Indonesia, June 30-July 1, 2013

# Outline

## I. The Budget Process of the FCPF

- Review of FCPF Budgeting
- Services to REDD Country Participants
- Secretariat and Trustee Functions
- Shared Costs

## II. Status of the FY13 Budget

- Fund Contributions
- Estimated FY13 Expenditures

## III. The FY14 Budget Proposal

- FY14 Proposed Base Budget and Additional Activities
- Shared Costs
- Decisions for this Meeting

# I. The Budget Process of the FCPF

## Topics

- Review of FCPF Budgeting
- Services to REDD Country Participants
- Secretariat and Trustee Functions
- Shared Costs

# I. The Budget Process of the FCPF Review

- FCPF budgets – for both the Readiness Fund (RF) and Carbon Fund (CF) – are based on the World Bank fiscal year (July 1-June 30), with FY14 starting July 1, 2013
- Per the Charter, budgets are approved annually
- FY13 Readiness Fund Budget was approved in June 2012 with some additional items approved in October 2012. The Carbon Fund Budget was approved in June 2012
- The FY14 Budget of the Readiness Fund **is submitted and proposed for approval in this meeting of the PC**

# I. The Budget Process of the FCPF Services to REDD Country Participants (1)

## Country Implementation Support

- Direct implementation support, including technical assistance, from Delivery Partners (World Bank, IDB and UNDP)
- Grant supervision and country level review, related to environmental and social due diligence, procurement and financial management policies and procedures of the Delivery Partners and the Common Approach to Environmental and Social Safeguards
- As more countries sign Readiness Preparation Grants and as the other Delivery Partners become active, this category of expenditures has increased

# I. The Budget Process of the FCPF Services to REDD Country Participants (2)

## Country Advisory Services

- FCPF team coordination of, and feedback on R-PPs, Mid-Term Reviews and R-Packages
- Guidance on FCPF social and environmental due diligence (SESA guidelines, etc.)
- Sharing cross-country experiences, developing and sharing guidance (e.g., social inclusion, piloting forest governance grievance redress mechanisms, and linking local REDD initiatives to national REDD+ strategies) with individual REDD Country Participants

# I. The Budget Process of the FCPF Services to REDD Country Participants (3)

## REDD Methodology Support

- TAP review of R-PPs and R-Packages
- TAP review of Carbon Fund related themes (e.g., Methodology and Pricing, ER-PINs)
- TAP participation in FCPF meetings
- Close liaison with UN-REDD and international REDD+ programs
- Analysis on key REDD+ topics, lessons learned, and knowledge management (e.g., MRV, Reference Levels, Registries)

# I. The Budget Process of the FCPF Secretariat and Trustee Functions (1)

## The FCPF Secretariat

- Overall program management and activities related to maintaining partnerships among the many stakeholders of the FCPF
- Organization of Annual Meeting and 2 PC meetings per year (previously 3 meetings per year)
- Travel and expenses of REDD Country Participants in meetings
- FCPF website and general communications, knowledge management activities as well as translation services

# I. The Budget Process of the FCPF Secretariat and Trustee Functions (2)

## Readiness Fund Administration

Functions related to the World Bank's role as Trustee of the Readiness Fund, including:

- Preparing budgets, business plans and financial projections, including long-term sources and uses of funds
- Preparation of the FCPF Annual Report
- Accounting, resource management, contracting and contributions management
- Legal services
- Development of M&E framework

# I. The Budget Process of the FCPF Shared Costs

- ‘Shared Costs’ across both the Readiness Fund and Carbon Fund have included in practice the activities paid out of:
  - FCPF Secretariat and
  - REDD Methodology Support
- Shared 65% by the Readiness Fund 35% by the Carbon Fund (per Charter)
- Shared Costs only borne by the Carbon Fund from July 1, 2011
- Overall cap of \$12 million that can be charged to the Carbon Fund for Shared Costs over the lifetime of the Fund (Approved by the PC through Resolution PC/8/2011/8)

## II. Status of the FY13 Budget

### Topics

- Fund Contributions
- Estimated FY13 Expenditures

## II. Status of the FY13 Budget Fund Contributions

Contributions to the FCPF Readiness Fund as of June 11, 2013 (US\$m)							
	FY09	FY10	FY11	FY12	FY13	FY14- 15*	Totals*
<b>Australia</b>	9.6		8.0	6.3			23.9
<b>Canada</b>			41.4				41.4
<b>Denmark</b>		5.8					5.8
<b>European Commission</b>				2.7		2.7	5.3
<b>Finland</b>	9.0			5.7	5.3		20.0
<b>France</b>	4.6	0.6		5.1			10.3
<b>Germany</b>			26.0		13.0	13.5	52.5
<b>Italy</b>			5.0				5.0
<b>Japan</b>	5.0	5.0		4.0			14.0
<b>Netherlands</b>	5.0			7.6	7.6		20.3
<b>Norway</b>	5.0	16.4	8.8				30.2
<b>Spain</b>	7.0						7.0
<b>Switzerland</b>	8.2						8.2
<b>United Kingdom</b>			5.8				5.8
<b>United States of America</b>	0.5	4.5			4.0		9.0
<b>Committed Funding</b>	<b>53.9</b>	<b>32.3</b>	<b>94.9</b>	<b>31.5</b>	<b>29.9</b>	<b>16.2</b>	<b>258.7</b>

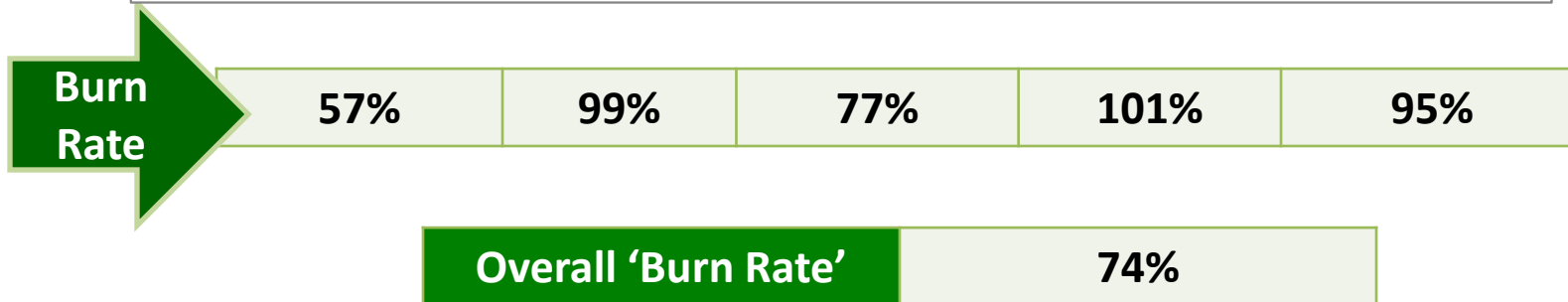
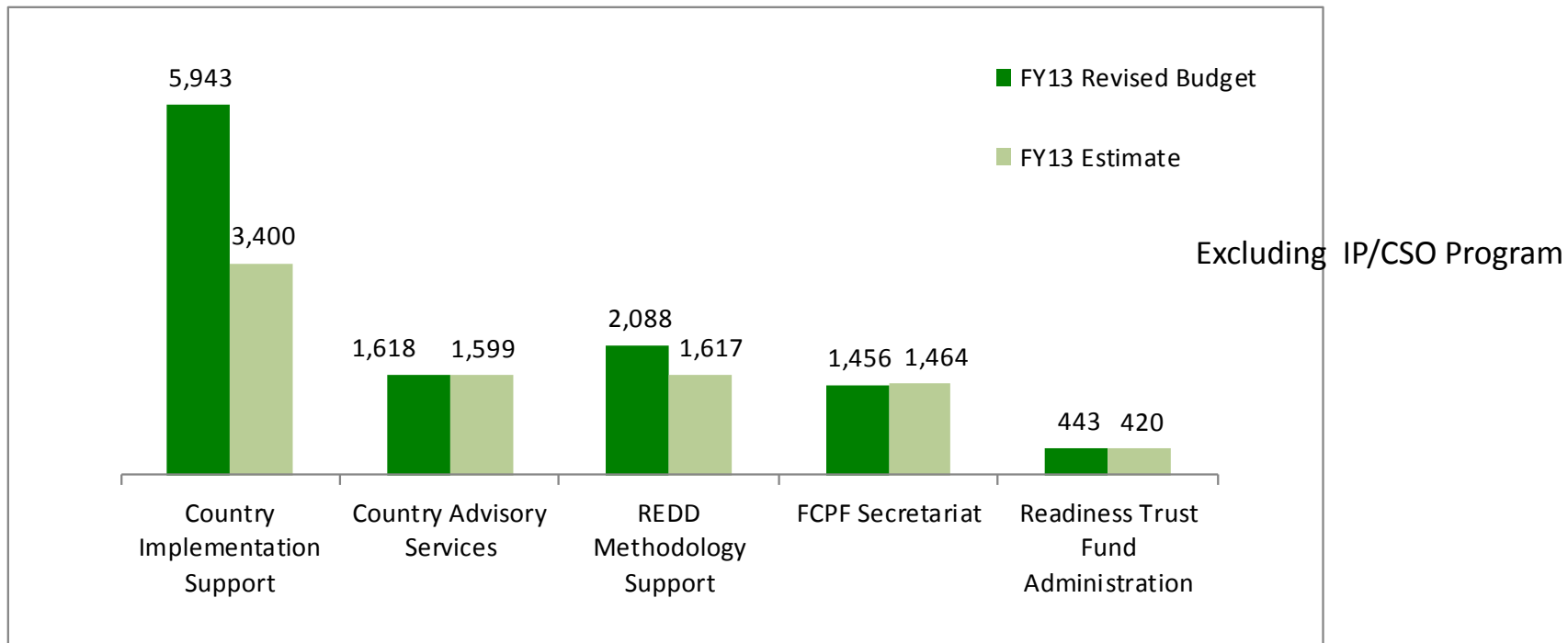
\* Amounts may vary due to exchange rate fluctuations

## II. Status of the FY13 Budget Estimated Expenditures (1)

- Final FY13 expenditures will be reflected in Annual Report prepared in September
- With FY13 books closing at end of June, estimated expenditures are tentative
- Estimates show spending below overall FY13 budget
- Total underspend will be around \$4.3 million
- Breakdown of underspend and explanations follows

# II. Status of the FY13 Budget Estimated Expenditures (2)

## FY13 Budget vs. Estimated Expenditure



## II. Status of the FY13 Budget Estimated Expenditures (3)

<b>Total Facility Operating Costs (\$000s)</b>	<b>FY13 Revised Budget</b>	<b>FY13 Estimate</b>	<b>Underspend</b>	<b>Burn Rates</b>
<b>Readiness Trust Fund Administration</b>	443	420	23	95%
<b>FCPF Secretariat</b>	1,456	1,464	(8)	101%
<b>REDD Methodology Support</b>	2,088	1,617	471	77%
<b>Country Advisory Services</b>	1,618	1,599	19	99%
<b>Sub-total</b>	<b>5,605</b>	<b>5,100</b>	<b>505</b>	<b>91%</b>
<b>Country Implementation Support</b>	5,943	3,400	2,543	57%
<b>Sub-total</b>	<b>11,548</b>	<b>8,500</b>	<b>3,048</b>	<b>74%</b>
<b>Additional IP and CSO Program</b>	2,590	1,371	1,219	53%
<b>Total Facility Operating Costs</b>	<b>14,138</b>	<b>9,871</b>	<b>4,267</b>	<b>70%</b>

## II. Status of the FY13 Budget Estimated Expenditures (4)

- Trust Fund Administration: Marginal underspend
- FCPF Secretariat Costs: Marginal overspend, mainly due to additional translation costs
- REDD Methodology Support: Underspends on additional activities, especially MRV/Reference Levels and Private Sector Engagement (budgets effectively carried over to FY14). Otherwise marginally overspent on base budget (e.g. work on Methodological Framework)
- Country Advisory Services: Underspends on additional activities (especially Piloting Forest Governance and Grievance Redress Mechanisms). Otherwise overspent on base budget (mainly increased support from FMT to countries preparing and revising R-PPs)

## II. Status of the FY13 Budget Estimated Expenditures (5)

- Country Implementation Support: \$2.5 million underspend, mainly a result of no transfer yet made to UNDP (budgeted \$2.4 million). Transfer to be made very soon
- CSO/IP Program: \$1.2 million underspend, mainly through budget carryovers and delays in support through contracts/grants. All regional and global dialogues and follow up workshop completed. Grant commitments have been made but many grants have not yet been disbursed. (FMT will prepare a report on the IP/CSO Program to June 30, 2013).

# III. FY14 Budget Proposal

## Topics

- FY14 Proposed Base Budget and Additional Activities
- Shared Costs
- Decisions for this Meeting

# III. FY14 Budget Proposal

## Proposed Overall Budget

Overall Budget (\$000s)	FY13 Revised Budget	FY13 Estimate	FY14 Proposed Budget
Readiness Trust Fund Administration	443	420	447
FCPF Secretariat	1,456	1,464	1,307
REDD Methodology Support	2,088	1,617	2,255
Country Advisory Services	1,618	1,599	2,206
<b>Sub-total</b>	<b>5,605</b>	<b>5,100</b>	<b>6,215</b>
Country Implementation Support	5,943	3,400	4,023
<b>Sub-total</b>	<b>11,548</b>	<b>8,500</b>	<b>10,238</b>
IP and CSO Program	2,590	1,371	1,571
<b>Total Facility Operating Costs</b>	<b>14,138</b>	<b>9,871</b>	<b>11,809</b>

- **Breakdowns explained in subsequent slides**

# III. FY14 Budget Proposal

## Shared Costs

<b>Overall Budget shared between funds (\$000s)</b>	<b>FY13 Revised Budget</b>	<b>FY13 Estimate</b>	<b>FY14 Proposed Budget</b>
<b>Readiness Fund</b>	12,898	8,793	10,562
<b>Carbon Fund</b>	1,240	1,078	1,247
<b>Total</b>	<b>14,138</b>	<b>9,871</b>	<b>11,809</b>

# III. FY14 Budget Proposal

## FCPF Secretariat

<b>FCPF Secretariat (\$000s)</b>	<b>FY13 Revised Budget</b>	<b>FY13 Estimate</b>	<b>FY14 Proposed Budget</b>
<b>Base budget</b>	1,456	1,464	1,307
<b>Additional Activities:</b>			
<b>Strengthened Communications</b>	in base	in base	in base
<b>Expanded translation of documents</b>	in base	in base	in base
<b>Total</b>	<b>1,456</b>	<b>1,464</b>	<b>1,307</b>

- Base comparators are reasonable. Meetings reduce from 3 to 2 per annum.

# III. FY14 Budget Proposal

## REDD Methodology Support

REDD Methodology Support (\$000s)	FY13 Revised Budget	FY13 Estimate	FY14 Proposed Budget
<b>Base budget</b>	1,338	1,422	1,265
<b>Additional Activities:</b>			
<b>MRV/Reference Levels/DB Man</b>	375	32	560
<b>Private Sector Engagement in REDD+</b>	150	10	234
<b>Registries for REDD+</b>	225	153	196
<b>Total</b>	<b>2,088</b>	<b>1,617</b>	<b>2,255</b>

- Base budget includes RF TAPs, CF Working Group on Methodology and Pricing and CF TAPs
- Previously costs of Capacity Building Program Administration included in base budget (in IP/CSO Program budget for FY14)
- Note additional activities and carry-over of some of the FY13 budget

# III. FY14 Budget Proposal Country Advisory Services

Country Advisory Services (\$000s)	FY13 Revised Budget	FY13 Estimate	FY14 Proposed Budget
<b>Base budget</b>	845	1,019	1,313
<b>Additional Activities:</b>			
<b>Capacity Building for Social Inclusion</b>	346	341	559
<b>Linking Local Initiatives to Strategy</b>	210	167	171
<b>Piloting Forest Governance and     Grievance Redress Mechanisms</b>	217	72	66
<b>Managing REDD+ Funds at Nat'l Level</b>	-	-	97
<b>Total</b>	<b>1,618</b>	<b>1,599</b>	<b>2,206</b>

- Increasing base budget mainly represents increasing support from FMT to REDD Countries
- Note additional activities

# III. FY14 Budget Proposal

## Country Implementation Support

Country Implementation Support (\$000s)	FY13 Budget	FY13 Estimate	FY14 Proposed Budget
World Bank (25)	2,343	2,200	2,353
IDB (3)	1,200	1,200	-
UNDP (3)	2,400	-	1,670
<b>Total (31)</b>	<b>5,943</b>	<b>3,400</b>	<b>4,023</b>

- No funds transferred to UNDP in FY13. Transfer to be made very soon (UNDP: \$430k per country to be paid in advance, plus \$380k for Accountability Mechanism)

# III. FY14 Budget Proposal

## Indigenous Peoples and CSO Program

Indigenous Peoples/CSO Program (\$000s)	FY13 Budget	FY13 Estimate	FY14 Proposed Budget
Support through contracts/grants	1,700	512	1,200
Regional and Global Dialogues	540	557	-
Regional Dialogue heldover from FY12	200	190	-
Capacity Building Program Administration	-	-	221
Other (travel etc)	150	112	150
<b>Total</b>	<b>2,590</b>	<b>1,371</b>	<b>1,571</b>

- Original budget for FY14 for IP/CSO CB Program plus Program Administration

# III. FY14 Budget Proposal

## Proposed Additional Activities

Proposed Additional Activities (\$000s)	FY13 Budget	FY13 Estimate	FY14 Budget from FMT Note Oct 2012	FY14 Proposed Budget
<b>MRV/Reference Levels/DB Man</b>	375	32	375	560
<b>Private Sector Engagement in REDD+</b>	150	10	300	234
<b>Registries for REDD+</b>	225	153	200	196
<b>Capacity Building for Social Inclusion</b>	346	341	346	559
<b>Linking Local Initiatives to Strategy</b>	210	167	420	171
<b>Piloting Forest Governance and Grievance Redress Mechanisms</b>	217	72	108	66
<b>Managing REDD+ Funds at Nat'l Level</b>	-	-	-	97
<b>Total</b>	<b>1,523</b>	<b>775</b>	<b>1,749</b>	<b>1,883</b>

- See FMT Note re Additional Activities

## III. FY14 Budget Proposal Decisions for this Meeting

1. Does the PC endorse the proposed set of additional activities for FY14?
2. Are there any other additional activities that the PC thinks should be included?
3. Does the PC approve the proposed FY14 Readiness Fund budget, including Shared costs for both the Readiness Fund and the Carbon Fund?



THANK YOU!

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