BioCarbon Fund

Project Idea Note (PIN) for Land Use, Land-Use Change and Forestry (LULUCF) Project

(Including Reduced Emissions from Deforestation and Degradation Activities)

Guidelines

A PIN will consist of approximately 5 pages providing indicative information on:

- the type and size of the project
- its location
- the anticipated total amount of Greenhouse Gas (GHG) reduction compared to the "business-as-usual" scenario (which will be elaborated in the baseline later on at Project Design Document [PDD] level)
- the suggested crediting life time
- the suggested Certified Emission Reductions (CER), Emission Reduction Unit (ERU), Removal Unit (RMU) or Verified Emission Reduction (VER) price in US$/ton CO_2eq reduced from clean development mechanism (CDM) or joint implementation (JI) projects
- the financial structuring (indicating which parties are expected to provide the project's financing)
- the project's other socio-economic or environmental effects/benefits

While every effort should be made to provide as complete and extensive information as possible, it is recognized that full information on every item listed in the template will not be available at all times for every project.

Illustrative project categories and examples include:

Code	***Afforestation and reforestation***[1]
1	Rehabilitation of degraded lands (e.g. *Imperata* grasslands*)* to
1a	forest
1b	agroforestry
2	Reforestation of degraded temperate grasslands or arid lands by tree planting
3	Establishing tree/shade crops over existing crops (e.g. coffee)
4	Plantations for wood products
4a	Small scale landholder driven
4b	Commercial scale
5	Landscape rehabilitation through planting corridors etc
6	Fuel wood plantings at a commercial scale
	Forest Management
7	Improved forest management via fertilizer, in-plantings etc
8	Improved fire management
9	Reduced impact logging
10	Alternatives to fuel wood for forest/environmental protection
	Cropland management
11	Reduced till agriculture
12	Other sustainable agriculture
	Grazing land management
13	Revegetation of semi-arid and arid lands with shrubs or grasses
14	Improved livestock management leading to vegetation and soil recovery
15	***Bio-fuels***: Use of biological residue to produce energy
16	***Reduced Emissions from Deforestation and Degradation (REDD)***[2]
17	***Other***

[1] This is the only class of activities accepted under the CDM for the first commitment period

[2] These are non Kyoto-compliant activities piloted by BioCF's Window 2.

PROJECT IDEA NOTE

Name of Project:

Date submitted:

A. Project description, type, location and schedule

General description	
A.1 Project description and proposed activities	
A.2 Technology to be employed (mention if REDD will be undertaken)	
Project proponent submitting the PIN	
A.3 Name	
A.4 Organizational category *(choose one or more)*	a. Government b. Government agency c. Municipality d. Private company e. Non Governmental Organization
A.5 Other function(s) of the project developer in the project *(choose one or more)*	a. Sponsor b. Operational Entity under the CDM c. Intermediary d. Technical advisor
A.6 Summary of relevant experience	
A.7 Address	
A.8 Contact person	
A.9 Telephone / fax	
A.10 E-mail and web address	
Project sponsor(s) financing the project *(List and provide the following information for all project sponsors)*	
A.11 Name	
A.12 Organizational category *(choose one or more)*	f. Government g. Government agency h. Municipality i. Private company j. Non Governmental Organization
A.13 Address *(include web address)*	
A.14 Main activities	
A.15 Summary of the financials *(total assets, revenues, profit, etc.)*	

Type of project	
A.16 Greenhouse gases targeted	CO_2 / CH_4 / N_2O
A.17 Type of activities	Sequestration / Conservation (REDD)
A.18 Field of activities (*Select code(s) of project category(ies) from the list*)	
Location of the project	
A.19 Country	
A.20 Nearest city	
A.21 Precise location	
Expected schedule	
A.22 Earliest project start date *(Year in which the project will be operational)*	
A.23 Estimate of time required before becoming operational after approval of the PIN	Time required for financial commitments: xx months Time required for legal matters: xx months Time required for negotiations: xx months Time required for establishment: xx months
A.24 Year of the first expected CER / ERU / RMU / VER delivery	2007 / 2008 / 2009
A.25 Project lifetime *(Number of years)*	
A.26 Current status or phase of the project	a. Identification and pre-selection phase b. Opportunity study finished c. Pre-feasibility study finished d. Feasibility study finished e. Negotiations phase f. Contracting phase
A.27 Current status of the acceptance of the project by the Host Country *(choose one)*	a. Letter of No Objection is available b. Letter of Endorsement is under discussion or available c. Letter of Approval is under discussion or available
A.28 Position of the Host Country with regard to the Kyoto Protocol *(choose one)*	The Host Country a. Is a Party to the Kyoto Protocol (i.e. has ratified or otherwise acceded to the Kyoto Protocol) b. Has signed the Kyoto Protocol and demonstrated a clear interest in becoming a Party in due time c. Has not signed the Kyoto Protocol

B. Expected environmental and social benefits

Environmental benefits	
B.1 Estimate of carbon sequestered or conserved *(in metric tonnes of CO_2 equivalent – t CO_2e. Please attach spreadsheet.)* Provide estimated from REDD activities separately	Up to and including 2012: xx t CO_2e Up to and including 2017: xx t CO_2e
B.2 Baseline scenario *(What would the future look like without the proposed project? What would the estimated total carbon sequestration / conservation be without the proposed project? Mention the baseline methodology, as per the CoP9 text.[3] Also explain why the project is additional referring to the EB16 guidelines[4]).* If REDD activity, mention the main drivers and agents for deforestation and how the project will address them[5].	
B.3 Existing vegetation and land use *(What is the current land cover and land use? Is the tree cover more or less than 30%?)*	
B.4 Environmental benefits	
B.4.a Local benefits	
B.4.b Global benefits	
B.5 Consistency between the project and the environmental priorities of the Host Country	
Socio-economic benefits	
B.6 How will the project improve the welfare of the community involved in it or surrounding it. What are the direct effects which can be attributed to the project and which would not have occurred in a comparable situation without that project? *(e.g., employment creation, poverty alleviation, foreign*	

[3] http://cdm.unfccc.int/Reference/Documents/dec19_CP9/English/decisions_18_19_CP.9.pdf
[4] http://cdm.unfccc.int/EB/Meetings/016/eb16repan1.pdf
[5] The BioCF is developing a methodology for project activities reducing emissions from deforestation and forest degradation, which should be fully adopted during project preparation. It will be available by November 2007.

exchange savings). Indicate the number of communities and the number of people that will benefit from this project.	
B.7 Are there other effects? *(e.g., training/education due to the introduction of new technologies and products, replication in the country or the region)*	

C. Finance

Project costs	
C.1 Preparation costs	US$ million
C.2 Establishment costs	US$ million
C.3 Other costs *(explain)*	US$ million
C.4 Total project costs	US$ million
Sources of finance to be sought or already identified	
C.5 Equity *(Name of the organizations and US$ million)*	
C.6 Debt – Long-term *(Name of the organizations and US$ million)*	
C.7 Debt – Short term *(Name of the organizations and US$ million)*	
C.8 Grants	
C.9 Not identified *(US$ million)*	
C.10 Contribution sought from the BioCarbon Fund *(US$ million)*	
C.11 Sources of carbon finance *(Has this project been submitted to other carbon buyers? If so, say which ones)*	
C.13 Indicative CER / ERU / RMU / VER price *(subject to negotiation and financial due diligence)* Please discriminate VERs from REDD activities.	

C.14 Emission Reductions Value *(= price per t CO_2e * number of tCO_2e)* Please discriminate VERs from REDD activities.	
Until 2012	US$
Until 2017	US$
C.15 Financial analysis *(If available for the proposed CDM / JI activity, provide the forecast financial internal rate of return (FIRR) for the project with and without the CER / ERU / RMU / VER revenues. For standardization purposes, provide the financial rate of return at the expected CER / ERU / RMU / VER price above and US$4/t CO_2e and assume 20 years worth of carbon payments, even though that price and purchasing period may not be the one offered by the BioCarbon Fund. Please attach spreadsheet if available.)*	FIRR without carbon: FIRR with carbon: