



WORLD BANK CARBON FINANCE UNIT
CARBON PARTNERSHIP FACILITY
2011 ANNUAL MEETING

CPF 2011 ANNUAL REPORT

New Participants and CADF Donors

◆ New Buyer Participants

- Norwegian Ministry of Finance (€20 million)
- Swedish Energy Agency (€20 million)
- E.ON Carbon Sourcing GmbH (€10 million)

◆ New CADF Donor

- Italy Ministry of Environment (€2 million equivalent in USD)

◆ New Seller Participants

- Provincial Electricity Authority of Thailand
- Hebei Green Agriculture Co.
- (SPA discussions begun with Rural Energy Agency of Tanzania)

- ◆ Programs with Seller Participation Agreements
 - ◆ Brazil – Solid Waste Management Program
 - ◆ Vietnam – Renewable Energy Program
 - ◆ Morocco – Solid Waste Management Program
 - ◆ Jordan – Amman Green Growth Program (City-wide Approach)
 - ◆ Thailand – Clean Energy Program
 - ◆ China – Hebei Regional Biogas Program
- ◆ Additional Programs under development
 - ◆ Tanzania – Renewable Energy Program
 - ◆ Egypt – Wind Program

- ◆ Seller Participant Training – April 7-8, 2010
 - For Seller Participants to increase their familiarity with carbon markets, CPF Pricing Approach, ERPA contracts and the CPF business process
- ◆ CPF Organizational Meeting – May 24, 2010
 - Launched partnership
 - Presentation by Seller Participants on programs
 - Presentation and discussion of Pricing Approach and ERPA terms
- ◆ Workshop on C/MEs – October 27, 2010
 - Management of the commercial arrangements with the CPF and individual project activities under a PoA
 - Management of the PoA business process under the CDM
- ◆ Briefing for Participants – October 28, 2010
 - Further consideration of CPF Pricing Approach and ERPA Terms

◆ Pricing Approach

- Fixed pricing for 5 years – benchmark and risk adjustment
- Fixed or variable for remaining term
- Prices for new CPAs can follow market as benchmark adjusts

◆ ERPA Term Sheet

- Includes both Commercial and General Conditions
- Adjusted to meet specific requirements of PoAs
- Basis for draft General Conditions to be presented

- ◆ Carbon Fund - €132.5 million in commitments
 - Spain - €47.5 million
 - Endesa - €35 million
 - €50 million in new pledges

- ◆ CADF
 - Sources of Funds - \$19.1 million
 - Uses of Funds - \$5.7 million
 - Balance at end FY11 - \$13.4 million

Plans for the Coming Year

- ◆ The major focus for the coming year will be achieving substantial progress on the development of the programs in the pipeline
 - Maximize progress on validation and registration to achieve registration of as many programs as possible by the end of 2012
 - Work closely with Seller Participants to support the addition of project activities (CPAs) to the PoAs
 - Present programs to Buyer Participants for inclusion in the First Tranche portfolio and for ERPA negotiation as programs are ready
 - Strengthen Seller Participant management systems and capability to manage the CDM monitoring, verification and issuance process
 - Identify additional programs for possible inclusion in the First Tranche portfolio, through the preparation and evaluation of program identification notes (PINs)
- ◆ Reach agreement on the ERPA General Conditions in FY12 Q1 to facilitate signing of ERPAs