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
CPF Workshops and Meetings

- **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
CPF Policies

◆ 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