Achievements

- Approval of the ERPA General Conditions (July 2011)

- SPA signed with Rural Energy Agency of Tanzania (July 2011)

- Programs included in First Tranche Portfolio
  - Caixa SWM (July 2011)
  - Morocco MSWM (January 2012)
  - China Hebei Regional Farm Biogas (January 2012)

- ERPA signed for Caixa SWM – December 2011

- Preliminary conceptual work on development of “new market mechanism” pilots
Challenge: Pricing

- Carbon market dynamics have changed dramatically since August 2011
  - Difficult to sign ERPAs with the initial CPF Pricing Approach

- Proposed Revision to CPF Pricing Approach
  - Consultations with Buyers and Sellers
  - Fixed pricing or fully variable pricing with floor and ceiling
  - Proposal circulated to Buyers and Sellers on May 11
  - Further discussions today during the meeting
CPF Workshops and Meetings

- **Seller Participant Training – June 5, 2011**
  - For Seller Participants to increase familiarity with recent carbon market and regulatory developments, and to provide training on management of the C/ME function

- **CPF Annual Meeting – June 6, 2011**
  - Presentations by Seller Participants on programs
  - Regulatory framework related to programmatic CDM activities and the strategy of the CPF
  - General Conditions applicable to CPF ERPAs
  - Selection of Partnership Committee

- **Buyer Participant Meeting – March 1, 2012**
  - Consideration of ideas for revising the CPF Pricing Approach
  - Briefing on ideas for CPF new program development

- **Seller Participant Meeting – May 3, 2012 (videoconference)**
  - Discussion of proposed revision to CPF Pricing Approach
Summary Financial Report

- Carbon Fund - €132.5 million in commitments
  - Spain - €47.5 million
  - Endesa - €35 million
  - Sweden - €20 million
  - Norway - €20 million
  - E.ON - €10 million

- Carbon Asset Development Fund
  - Sources of Funds - $27.5 million
  - Uses of Funds - $10.2 million
  - Balance at end FY12 - $17.3 million
The major focus for the coming year will be achieving substantial progress on the programs in the pipeline.

- The most important objective will be to successfully register the Brazil, Morocco, Vietnam, China and Thailand programs in the CDM by the end of 2012. (Tanzania program not subject to this deadline.)
- Present programs to Buyer Participants for inclusion in the First Tranche portfolio as programs are ready; seek to conclude ERPAs as each program is included in the First Tranche portfolio.
- Work closely with Seller Participants to support the addition of project activities (CPAs) to the PoAs.
- Strengthen Seller Participant management systems and capability to manage the CDM monitoring, verification and issuance process.

Another important objective over the coming year will be to progress work on the development of new market mechanism pilots.

- Conceptual work on blueprints
- Program identification
- Explore possibility of developing the Amman Green Growth Program and Egypt Wind Program as NMM pilots