



WORLD BANK CARBON FINANCE UNIT CARBON PARTNERSHIP FACILITY 2013 ANNUAL MEETING

CPF 2013 ANNUAL REPORT

CPF Tranche Restructuring

- ◆ Changes to CPF Carbon Fund in FY13:
 - Endesa and E.ON withdrew from CPF
 - Spain reduced contribution by € 25.5 million to € 22.0 million
 - Sweden increased contribution by € 10.0 million to €30.0 million
 - Norway increased contribution by € 15.0 million to € 35.0 million

- ◆ First Tranche frozen to include only Caixa ERPAs, with all five Buyers maintaining original shares
- ◆ Second Tranche created with First Tranche unallocated capital from Spain, Norway and Sweden
- ◆ Additional contributions from Sweden and Norway have been accepted into the Second Tranche
- ◆ Second Tranche operational as of May 15, 2013

Summary Financial Report

CPF FY13 Tranche Restructuring						
(in EURO'000)						
Participant	End-FY13 Gross Commitments	Cumulative CADF Charges	Future CADF Charges	Net Commit- ments	Net Commit- ments, Tranche I	Net Commit- ments, Tranche II
Spain	22,000	-4,275		17,725	8,063	9,662
Sweden	30,000	-1,800	-680	27,520	3,395	24,125
Norway	35,000	-1,800	-1,020	32,180	3,395	28,785
Endesa	9,091	-3,150		5,941	5,941	
EON	2,597	-900		1,697	1,697	
TOTAL	98,688	-11,925	-1,700	85,063	22,491	62,572

◆ Carbon Asset Development Fund

- Sources of Funds - \$29.9 million
- Uses of Funds - \$13.3 million
- Balance at end FY13 - \$16.6 million

Achievements in FY13

- CDM Registration by end-2012:
 - Caixa SWM
 - Morocco MSWM
 - Thailand EE
 - Vietnam REDP published for registration

- Programs included in Carbon Fund portfolio:
 - Thailand EE
 - Vietnam REDP

- Conceptual work advanced on development of “new market mechanism” pilots

- Continued progress toward signing ERPAs despite substantial decline in carbon market prices

- ◆ Seller Participant Training – June 3, 2012
 - 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 4-5, 2012
 - Presentations by Seller Participants on programs
 - Revised CPF Pricing Approach
 - Selection of Partnership Committee
 - CPF strategy on development of New Market Mechanism pilots

- ◆ Buyer Participant Meeting – September 26, 2012
 - Implications of withdrawal of Endesa and E.ON
 - Pricing of CPF programs
 - Addressing registration risks of CPF programs

Plans for the Coming Year

- ◆ The major focus for the coming year will be achieving further progress on the programs in the pipeline.
 - With most programs registered, focus on registration of the Tanzania RE program and work closely with Seller Participants for all programs to support the inclusion of project activities (CPAs) to the PoAs.
 - Seek to include the Tanzania RE, Egypt VSRP, Philippines Biogas and Philippines Landfill programs in the Second Tranche portfolio in FY14.
 - Seek to conclude ERPAs for the Morocco MSWM, Thailand EE and Vietnam REDP programs in June/July 2013. The intent is to sign ERPAs for the remaining four programs during FY14.
 - 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 NMM pilot design
 - Program identification, building on synergies with Partnership for Market Readiness
 - Enhance roadmap/process for program development