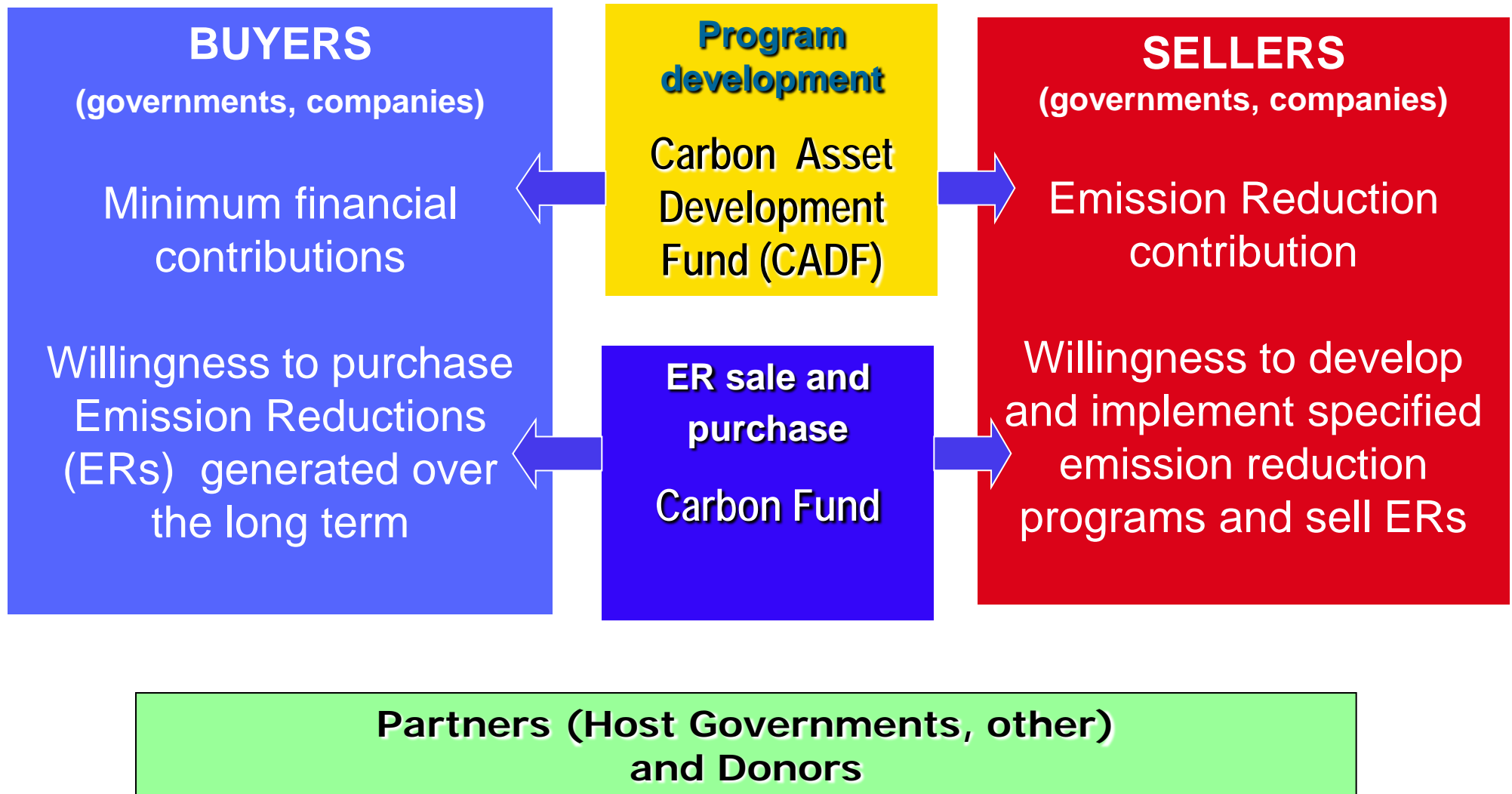




# The Carbon Partnership Facility Structure and Governance

# CPF - Buyers and Sellers in a Partnership



# Members of the Facility

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- **Buyer Participants:** governments and companies that want to acquire emission Reductions (ERs)
- **Seller Participants** that are owners of an investment program and will sell a portion of the ERs generated to the Buyer Participants
- **Donors**
  - sign an Administration Agreement to make a donor contribution to the CADF
  - participate in Facility discussions in an advisory role
  - proposed type of EU Commission Participation
- **Partners** - typically Host Country governments - assisting the Trustee in identification and development of Programs

- Holds funds for Emission Reduction (ER) payments only
- Consists of Tranches, each with a discrete set of Buyer Participants and Portfolio Selection Criteria
  - First tranche to provide carbon finance to several key sectors (e.g. power, energy efficiency, waste, transport, thematic/cross-cutting programs)
- Carbon Fund will buy part of CERs from programs, CPF can assist sellers with marketing additional CERs

# Carbon Asset Development Fund (CADF)

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- ❑ Covers all Facility costs for ER Program preparation and supervision functions
- ❑ Provides funds for:
  - Methodology work
  - ER program identification and development
  - Project Design Document and monitoring plan preparation
  - Capacity building for program coordinating entities
- ❑ Includes direct preparation grants to Sellers and Host Countries
- ❑ Funded by:
  - Charge from Buyers due upon signing of Participation Agreement
  - Donor contributions of minimum €2 million per Donor

# Governance: representation of Seller and Buyer Participants



## Annual Participants' Meeting

- Provides broad guidance and a forum for information exchange
- Each constituency elects its representatives to the Partnership Committee
- May overturn decisions of the Partnership Committee on the Pricing Approach by simple majority of both Buyers and Sellers

## Partnership Committee

3 to 6 Sellers, 3 to 6 Buyers, 3 Partners (1 Donor + 2 other Partners)

- **Equal representation of Buyers and Sellers at all times**
- Annual endorsement of the pricing approach and the form of ERPA, including ERPA general conditions by 2/3rds majority
- Advises on carbon asset creation priorities and operational issues

# Experienced management team with a track record and other World Bank resources

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- ❑ Senior level key staff: Facility Coordinator and Methodology Team Leader
- ❑ Carbon Finance Unit with:
  - a staff of about 70 people
  - Proven track record on acquiring ERs and on methodology development (close to 30% of all methodologies)
- ❑ CPF management team can draw on the specialist staff within the World Bank
- ❑ Underlying World Bank Group country engagement and financing instruments reduce the financing risk of the ER Programs and delivery risk
  - Many programs in the public sector or in state owned companies have been excluded from the carbon market so far or that are difficult to access by private sector buyers directly