CF Capacity Building

Role of World Bank

Dr. Venkata Ramana

March 2006
Quito, Ecuador
Ensure CF contributes substantially to sustainable development, beyond global environmental efforts;

Assist in building, sustaining, and expanding the international markets for emission reductions, and its institutional and administrative structure;

Strengthen the capacity of developing countries to benefit from the emerging market for emission reduction credits
<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prototype Carbon Fund</td>
<td>$180m, multi-shareholder</td>
</tr>
<tr>
<td>Community Development Carbon Fund</td>
<td>Multi-shareholder. Tranche I $128.6 m</td>
</tr>
<tr>
<td>Bio Carbon Fund</td>
<td>Tranche I $53.8m; multi-shareholder</td>
</tr>
<tr>
<td></td>
<td>$170m – Single government participant (Dutch)</td>
</tr>
<tr>
<td></td>
<td>$45m - Italian multi-participant</td>
</tr>
<tr>
<td></td>
<td>$40m - Economies in Transition only (JI with IFC)</td>
</tr>
<tr>
<td></td>
<td>$220m – Spanish Government; will be open to private sector</td>
</tr>
<tr>
<td></td>
<td>$75m – Danish multi-participant</td>
</tr>
<tr>
<td>Umbrella Carbon Facility</td>
<td>$930m</td>
</tr>
</tbody>
</table>

*World Bank CF Products ($1.8B)*
Board reviews PCF proposal and Bank’s role
July, 1999. Board approves PCF
PCF becomes operational, April 2000

96 97 98 99 2000

Vision developed for 10-year horizon for role of Bank, June 2004
OPC clears final Carbon Finance Strategy, April 2002

CF-Assist
Risk Assessment for growth in Bank CF Business, July 2004

Growth in WB CF Business

March, 2003, Board approves CDCF

Feb 1997 Approval of $3.5m PCF development funds

July, 1999. Board approves PCF
Board reviews PCF proposal and Bank’s role

UCF

05 04 03 02 01

03 02 01 00 00
Carbon Finance - Assist

- 5-yr, $12m multi-donor Trust Fund that complements WB’s CF Business
- Proposed in 2004, established in 2005
- Managed by Carbon Finance Unit and World Bank Institute
- Activities are need-based at country/regional level
- Leverages Japan PHRD grants
- Africa Assist program with French support
- Review and advice by Host Country Committee on CF, and Donor Group
Objectives of CF-Assist

- Ensure that LDC and EIT are able to fully participate in the flexible mechanisms defined under KP
  - Build human and infrastructural capacity
  - Benefit from SD gains associated with carbon mitigation projects
  - Create and manage carbon assets
  - Reduce costs of participation
Contributors

- Australia
- Denmark
- France
- Japan (PHRD)
- Spain
- Switzerland
**CF-Assist Priority Countries**

- **Egypt, Morocco, Tunisia**
- **Bulgaria, Armenia, Azerbaijan, Georgia, Romania, Russia**
- **Cambodia, China, Indonesia, Papua New Guinea, Philippines**
- **India, Sri Lanka**
- **Argentina, Bolivia, Brazil, Central America, Mexico, Peru, Uruguay**
- **Cameroon, Ghana, Kenya, Madagascar, Mali, Mozambique, Nigeria, Senegal, South Africa, Uganda, Zambia**
Activities

- Develop training modules for national experts and partners
- Conduct training programs (direct, DL, VC)
- Develop CF project pipeline (WB is buyer of last resort)
- Facilitate market development (Carbon Expo, GHG Forum)
- Assist with institutional governance issues
- Establish country carbon funds (Argentina, Mexico)
- Conduct outreach studies (e.g. Carbon market survey, Transport sector assessment)
Training

- Project Formulation
- Baseline and Monitoring Methodologies
- Establishing effective institutions (e.g. DNAs)
- Negotiating fair and equitable ERPAs
Market Facilitation

- **Global Carbon Expo**
  - Annual in Cologne, Germany
  - 200 Exhibitors, 1000 participants, multiple events
- **Asia Carbon Expo**
  - Beijing, China in Fall 2006
- **Delhi Regional GHG Forum**
  - Annual along with DSDS
- **Moscow Regional GHG Forum**
  - First one in April 2006
Partners

- UNEP (CF-SEA)
- IETA (Expo, GHGF)
- Koelnmesse (EXPO)
- CEFEB (Francophone Africa)
- In-country partners (20)
Lessons/Challenges for CF-Assist

- Demand outstrips delivering capacity
- Need for strategic prioritization of countries
- Focus on country-specific capacity requirements linked to potential
- Adapt KM activities to the changing landscape of the market
- Design KM activities that ensure long term sustainability of the market
- Leverage other capacity building programs