

The KfW Carbon Fund

Results and Future Plans

Cologne, May 03, 2007

Bernhard Zander
First Vice President
KfW Carbonfund

KfW Bankengruppe
Palmengartenstrasse 5 – 9
D-60325 Frankfurt

Tel: +49-69-7431-4218
Fax: +49-69-7431-4775
carbonfund@kfw.de

- **Purchase programme for Carbon Credits (JI/CDM)**
 - Eligibility for EU-ETS must be ensured
- **KfW buys as a trustee for programme participants**
 - Target group: German and European enterprises, who
 - want to make use of JI and CDM for compliance purposes and
 - do not have own access to projects abroad
- **Forward purchase contracts with sellers of carbon credits**
 - „Emissions Reductions Purchase Agreement (ERPA)“

- **Programme Volume (First Tranche):** **EUR 83.9 Mio.**
 - 24 participating Enterprises from Germany, Austria, France and Luxemburg
 - Supported by German Federal Government and KfW
- **6.4 million tons CO₂e contracted** (per 31.03.07)
 - **Sectors:** focus on renewable energy (wind, hydro, biomass), methane avoidance (landfill gas, CMM, biogas)
 - **Countries:** focus on India, China, Brazil, Egypt

All ERPAs to be concluded until mid 2007

- **Continuous purchase programme for compliance certificates**
 - Purchase target of 9 million tons CO₂e per year
 - Own underwriting capacity (“warehousing”)

- **EIB-KfW Carbon Programme**
 - EUR 100 Million purchase facility for carbon credits
(second tranche of the KfW Carbon Fund)
 - Value Added Features
 - ✓ Tailormade product for SMEs (delivery guarantee)
 - ✓ Financing facility for advance payments
 - Risk-sharing between EIB and KfW

The KfW Carbon Fund

Issues for Discussion



- **Projects' side**
 - Long-term planning perspective; Post 2012 regulatory regime
 - Simple and reliable project approval procedures
 - Broaden sector scope by targetted methodology work (energy efficiency, transport, sectoral and programmatic CDM, etc.)
 - Facilitating JI within the EU (Track 1)
- **Buyers' side**
 - Improved access for smaller enterprises
 - Simplified national procedures (ProMechG)
- **Financing**
 - Risk capital, trade finance
 - Increased involvement of domestic banking sector
 - Pioneering role of promotional banks

Thank you for your attention!

For further information: www.kfw.de/carbonfund

Bernhard Zander
First Vice President
KfW Carbonfund

KfW Bankengruppe
Palmengartenstrasse 5 – 9
D-60325 Frankfurt

Tel: +49-69-7431-4218
Fax: +49-69-7431-4775
carbonfund@kfw.de

EIB-KfW Carbon Programme

Programme Structure

