



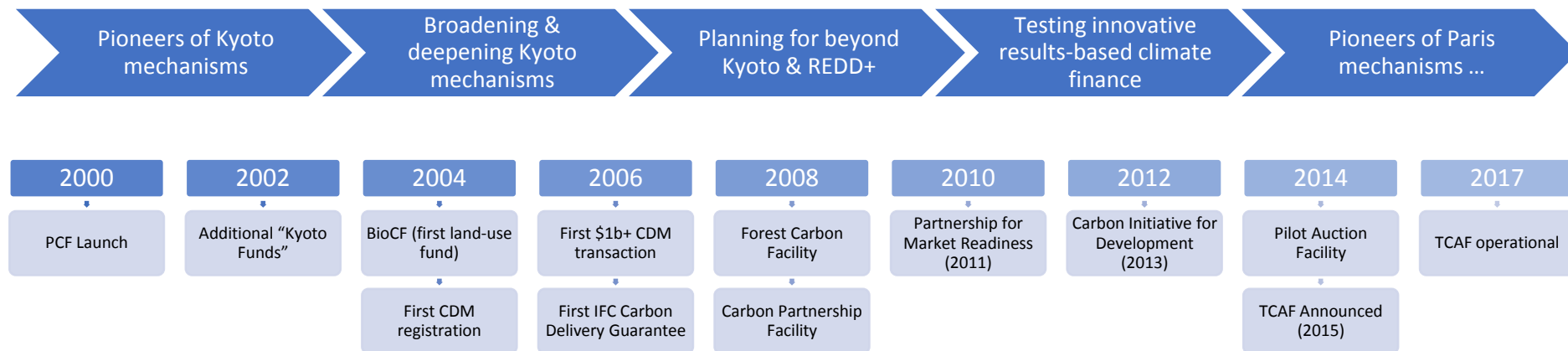
WORLD BANK GROUP
Climate Change

Climate finance to unlock methane projects - *A World Bank perspective*

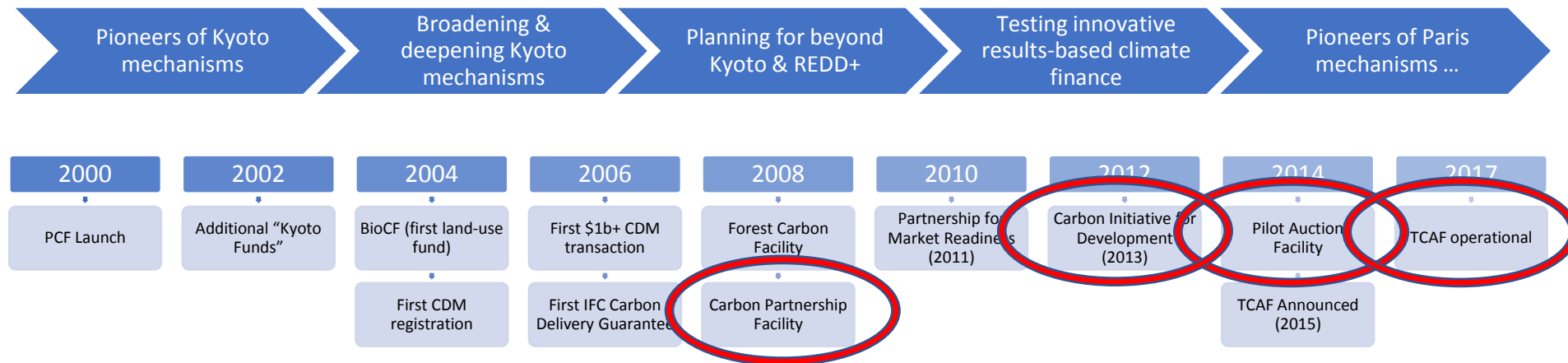
Global Methane Forum
April 18, 2018
Toronto, Canada



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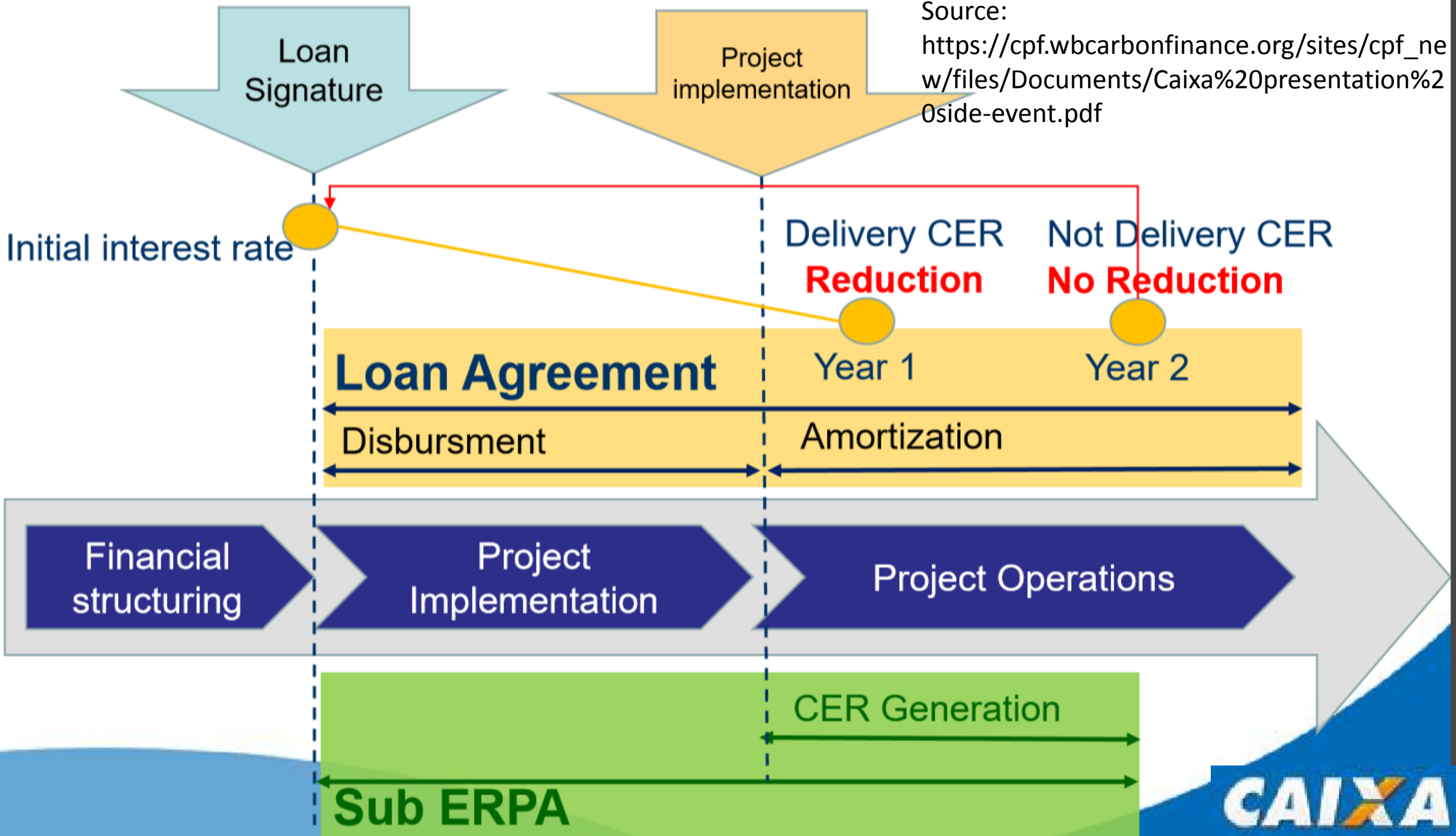


CPF example: Caixa Federal and variable interest rate loans



- Caixa Federal – 2nd largest commercial bank in Brazil.
- Leveraging climate finance to create a new business model for clients in Solid Waste Management sector.
- Emission Reductions Purchase Agreement (ERPA) with World Bank in 2011 under the Carbon Partnership Facility (CPF).
- Caixa links loan interest rates to achievement of key milestones, i.e. successful delivery of carbon credits (CERs).

Source:
https://cpf.wbcarbonfinance.org/sites/cpf_new/files/Documents/Caixa%20presentation%20side-event.pdf



Ci-Dev supports biodigesters in Africa



- Ci-Dev finances energy access projects in Africa and LDCs in Asia.
- Ci-Dev has entered into carbon purchase agreements with SNV (Burkina Faso); Development Bank of Ethiopia and SimGas (Kenya) for results-based payments for carbon credits from their biodigester programs.
- Due to lack of carbon market, need to establish “role of carbon” for each project.

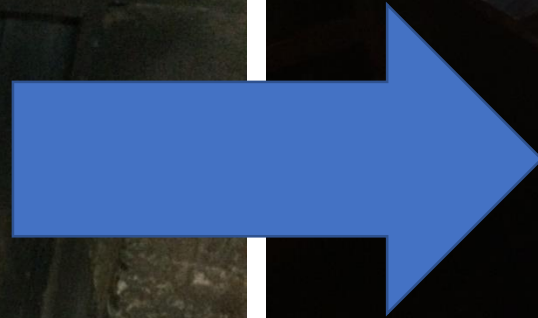
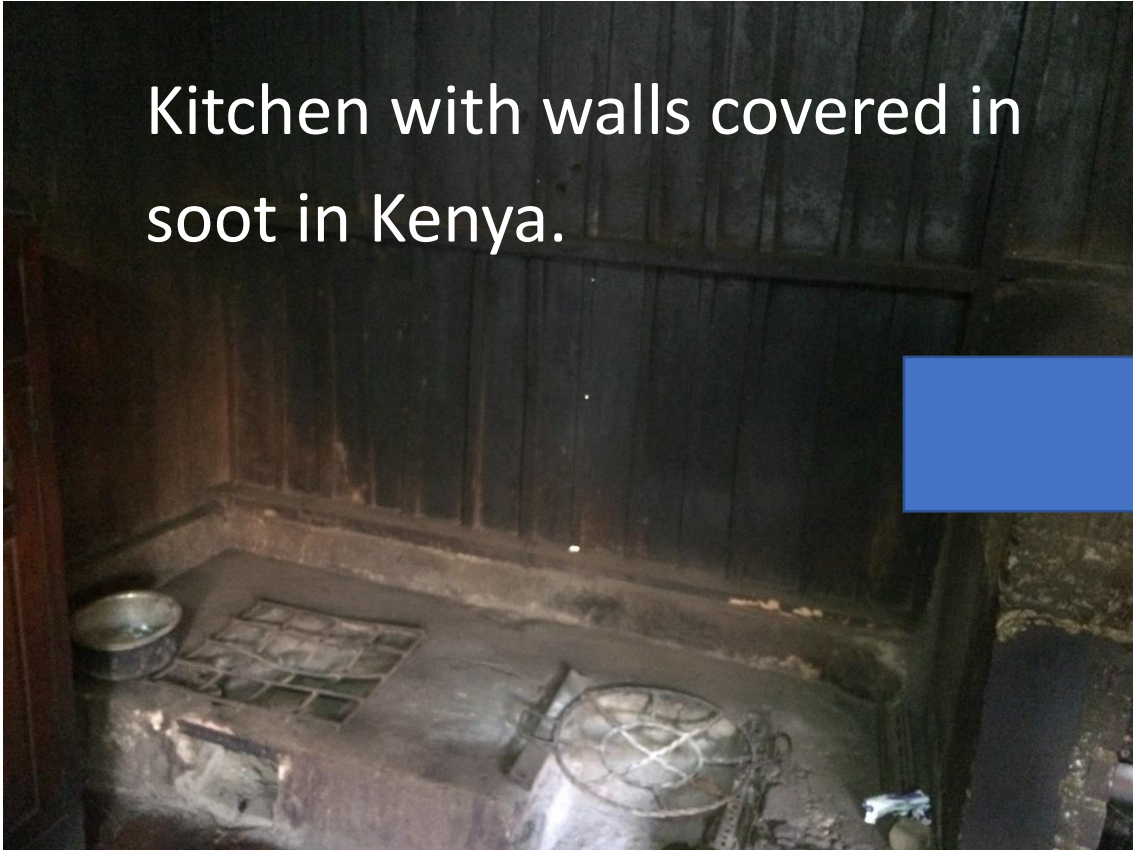


Two different designs of biodigesters...



...in Kenya...

Kitchen with walls covered in soot in Kenya.



Carbon finance used to provide a discounted price for the biodigester to customers, as well as an extended warranty.

...and Burkina Faso.

Unsustainable fuel wood collection in Burkina Faso.



Carbon finance from Ci-Dev will be used to cover the operating costs of the National Biogas Program through 2024.

Government of BF also provides a subsidy to potential customers.



Pilot Auction Facility for stranded projects

- Innovative climate finance model hosted by the World Bank to stimulate private investment in projects that reduce greenhouse gas emissions.
- Concerted action in methane sectors alone could lessen warming by 0.3°C
- ~1,200 projects, capable of reducing ~850 Mt CO₂e until 2020, were identified as **stranded** – the initial target of the PAF.
- Carbon credit prices collapsed, stranding projects with no incentive to reduce emissions.
- To date, the PAF has hosted **two auctions** (July 2015 and May 2016) allocating over \$40 million in climate finance for methane emission reductions.
- Third auction on January 10, 2017 for nitrous oxide abatement projects.

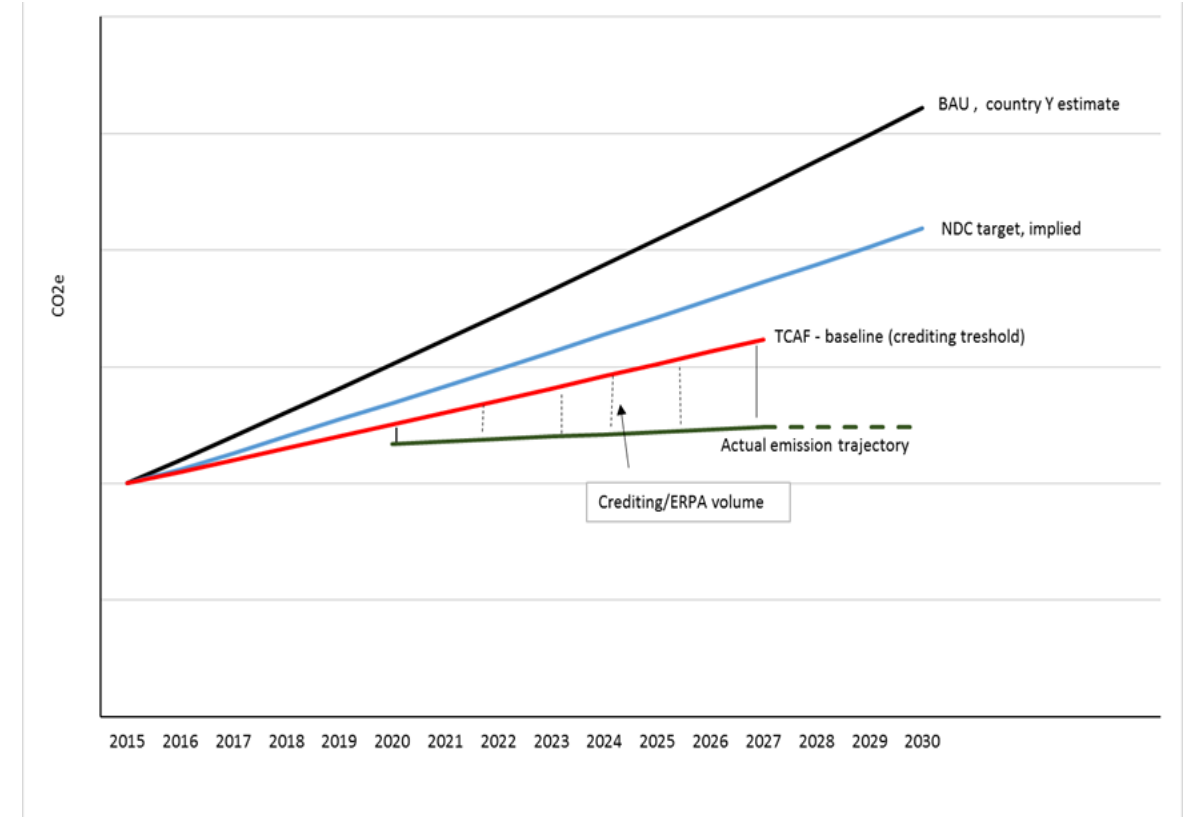


TCAF to pilot Paris Agreement



United Nations
Framework Convention on
Climate Change

- TCAF = Transformative Carbon Asset Facility.
- TCAF aims to pilot the transfer of Internationally Transferred Mitigation Outcomes (ITMOs) under Article 6 of the Paris Agreement.
- Focus on sector programs and policies reducing emissions linked to the Nationally Determined Contributions (NDCs) under the Paris Agreement.
- Looking e.g. at national solid waste management programs, reductions of GHG emissions from paddy rice etc.



Summary

- **Ci-Dev** finances Energy Access
- **CPF** has financed programs of activities under CDM
- **PAF** focuses on stranded methane assets
- **TCAF** to pilot transfer of ITMOs from programs linked to NDCs under the Paris Agreement



Thank you!

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