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NEWS RELEASE

Contacts

In Copenhagen: Isabel Hagbrink
Cel + 1 202 441 6250
ihagbrink@worldbank.org

Robert Bisset
Cel + 1 202 415 9646
rbisset@worldbank.org

World Bank launches new carbon facility for greenhouse gas emission reductions at COP 15

Carbon Partnership Facility to develop programmatic approaches

Copenhagen, December 11, 2009 —A new Carbon Partnership Facility (CPF) of the World Bank was launched today at the UN Climate Change Conference here in Copenhagen. The Facility, the latest addition in a family of carbon funds and facilities, is expected to reach an initial capitalization of over €200 million in early 2010.

Going beyond a project-by-project approach of the first generation of carbon funds, the CPF will develop programmatic approaches to assist developing countries to pursue low-carbon growth and to accelerate greenhouse gas emission reductions. The CPF will use carbon finance in an innovative manner to support developing countries' policy and investment programs, and in particular to leverage capital for both public and private sector investment in clean technologies.

*“If we want to see substantial greenhouse gas emission reductions post 2012, we need to use ground-breaking financial instruments to combat climate change”, says **Katherine Sierra, Vice-President for Sustainable Development at the World Bank.** “The Carbon Partnership Facility is an important step in the right direction as it supports programmatic carbon finance approaches to scale up mitigation.”*

The CPF is a partnership between buyers and sellers of carbon credits, with both groups involved in key decisions. The Government of Spain and Endesa currently represent the buyer participants in the Facility and their commitments to the CPF Carbon Fund total €100 million. Additional

buyer participants are expected to join early in 2010. Spain, Norway and the European Commission have also contributed a total of €9 million as donors to the CPF's Carbon Asset Development Fund, with the EC contribution signed today in Copenhagen.

"Through the participation in the Carbon Partnership Facility, our Government clearly expresses its support for the continuity of carbon markets after 2012, stressing that current mechanisms should be scaled up in order to mobilize relevant financial resources for developing countries."

says Ms. **Alicia Montalvo, General Director of the Spanish Office of Climate Change at the Ministry of Environment and Rural and Marine Affairs.**

The seller participants include Morocco's Fonds d'équipement communal (FEC), as well as Brazil's Caixa Econômica Federal and Vietnam's Ministry of Industry and Trade, which participated in a signing ceremony today with Katherine Sierra. Entities from other developing countries are actively preparing to join as seller participants. In addition, several developing country governments and other entities are actively preparing to join the CPF as host country partners or seller participants.

Mr. Karim Mansouri is the **Directeur Général of Fonds d'équipement communal**, the local development bank of the Kingdom of Morocco, explains his country's support of the CPF: *"We have embarked on a national program to upgrade environmental practices at landfill sites. We greatly welcome the opportunity to work with the Carbon Partnership Facility to create the financial incentives for landfill operators to capture methane from these sites, thus contributing the additional benefit of reducing greenhouse gases."*

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For more information on the Carbon Partnership facility visit:
<http://wbcarbonfinance.org/Router.cfm?Page=CPF&ItemID=41756&FID=41756>

For more information on the World Bank's Carbon Finance Unit:
<http://www.carbonfinance.org>