

ADB and International Carbon Trading

1:30pm – 2:30pm, 6213 North

March 30, 2005

List of Attendees:

NAME	ORGANIZATION
<u>NGO</u>	
1. Kibria, Zakir	BANGLAPRAXIS
2. Jin, Jun	Green Watershed
3. Magbanua, Lodel D.	LRC - KSK
4. Nuera, Boy	NGO Forum
5. Dolera, Marnie	NGO Forum
6. Mulia, Fabby Victor	WGPSR – Indonesia
7. Ul-Alam, Tutu Ashraf	CDP – Bangladesh
<u>ADB Staff</u>	
8. Nicoll, Sandra	NGOC
9. Kubo, Toru	RSFI

- Mr. Kubo, Clean Development Mechanism (CDM) Specialist made an informal presentation on ADB's CDM activities, supplemented by a few slides from a detailed power point presentation (presentation attached – there was not enough time to cover all of the slides in the presentation).
- A CDM brochure and flyer was also distributed.
- CDM, as defined in the Kyoto Protocol, is a flexible financing instrument that enables developing countries to mobilize additional financial resources by implementing projects that reduce emissions of green house gases (GHGs) and promote sustainable development.
- A typical CDM project produces a marketable commodity, namely Emission Reductions (ERs), commonly referred to as “carbon credits.”
- The sale of carbon credits to developed countries and companies with GHG reduction commitments/requirements can help generate additional revenue for a CDM project in the developing country.
- ADB's CDM Facility, established in 2003, provides comprehensive support to projects that come into ADB's lending or TA pipeline that could qualify as CDM. Support areas include, but are not limited to, initial CDM screening, development of key CDM documents, facilitation of third-party validation processes, and host country approval. The goal is to assist our developing member countries so that when a project is ready for financing, it is also ready to be introduced to the carbon market for sale of its future ERs.

- The CDM Facility also assists project developers to access multiple buyers – through this process prices can be more than 30% higher than deals with single large buyers.
- The Board paper on the CDM Facility is on ADB's website at www.adb.org/CDMF

Discussion:

The discussion focused on further elaboration of ADB's CDM activities with some examples of projects in China.

- ✓ Objectives of the CDM Facility
- ✓ Future potential CDM projects in ADB's pipeline (countries, sectors)
- ✓ Cost recovery mechanism of the CDM Facility
- ✓ CDM and promotion of renewable energy