Carbon Finance Highlights 2006

The **Prototype Carbon Fund (PCF)** is expected to close its portfolio by the end of 2006 with 25 signed purchase agreements for the removal of over 30 million tons of carbon dioxide equivalent from the atmosphere.

At the end of three years the capitalization of the **Community Development Carbon Fund (CDCF)** stands at $128.6 million; 10 emission reductions purchase agreements (ERPAs) have been signed for a value of $29 million.

The **BioCarbon Fund (BioCF)** now has seven emission reductions purchase agreements signed for the first tranche, totaling roughly one-third of its value. The second tranche of the BioCF will be opened for contributions in late 2006.

Having the first project ever registered under the CDM, the **Netherlands CDM Facility (NCDMF)** is a mature portfolio well on its way to completing its target of purchasing 38 million tons of carbon dioxide equivalent emission reductions by June 2007.

The **Netherlands European Carbon Facility (NECF)**, operated cooperatively with the International Finance Corporation, is a joint-implementation fund operating primarily in Poland, Russia and Ukraine. It is expected that the World Bank portion of the facility will fully complete its commitment to purchase five million tons of emission reductions by June 2007.

The **Italian Carbon Fund (ICF)** has approved carbon finance documents for about 18.2 million tons of carbon dioxide equivalent. The capitalization of the ICF stands at $155 million and the fund currently has 25 project idea notes with expected emission reductions totaling over 32 million tons of carbon dioxide equivalent.

As of August 31, 2006 the **Danish Carbon Fund (DCF)** portfolio includes seven projects—representing reductions of about 8.4 million tons of carbon dioxide equivalent—that have advanced to the carbon finance document stage, with some of them having entered emission reductions purchase agreement negotiations.

The **Spanish Carbon Fund (SCF)** has approved carbon finance documents for a number of projects totaling about 14 million tons of carbon dioxide equivalent. The capitalization of the SCF stands at $275 million and the fund currently has 31 project idea notes with expected emission reductions totaling over 44 million tons of carbon dioxide equivalent.

The first tranche of the **Umbrella Carbon Facility (UCF)** was fully funded in August 2006 with the acceptance by the trustee of the participation of five carbon funds and an additional 12 participants from the private sector. The total capital of the facility is $1 billion, of which about three-quarters comes from private sector entities.