



KYOTO IN THEIR OWN WORDS: GOVERNMENTS AND PRIVATE SECTOR LEADERS SPEAK OUT ABOUT CARBON FINANCE

**Marcos Castro, Director, Clean Development Mechanism Promotion Office/[CORDELIM](#),
Ministry for the Environment, Ecuador**

<http://www.pentaedro.com/webcontrol/webcontrol.php?c=258>

The work of CORDELIM is mainly to inform citizens about the climate change issue, to promote Clean Development Mechanism (CDM) projects, to help local and international investors construct CDM projects in Ecuador and to help international buyers purchase the CO₂ quotes.

“Just as parties agreed on the Kyoto Flexibility Mechanisms by late 1997, the World Bank took a clear leadership for catalyzing global carbon trading. The World Bank carbon finance activities have not been limited to steadily establishing innovative carbon procurement funds and managing greenhouse gas (GHG) emission reduction project portfolios. The World Bank Carbon finance activities have also provided institutional development at the national level, analytical and advisory assistance for development & review of methodological issues, generation of publicly available market intelligence, and creation of early opportunities for carbon verification service providers. These activities have significantly contributed to shaping demand and supply side along the emerging stage of the carbon market.

As the carbon market enters a new stage of consolidation, host country stakeholders have renewed expectations for the CFB (Carbon Finance Business) future activities. In particular, the CFB may be a key partner for enhancing engagement of host countries, private sector, mainstreaming carbon offset instruments in sector development policies, and building local capacity for CDM project development and Negotiation of Emission Reduction Purchase Agreements. Moreover, the CFB will continue to be a key reference player for other market stakeholders in issues such as pricing policy, incorporation of sustainable development goals in project design, and geographic equitable distribution of emission reduction purchases.”

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**Takayuki Ogai, Deputy Director General, Corporate Finance Department,
[Japan Bank for International Cooperation](#) (JBIC)**

<http://www.jbic.go.jp/english/base/>

The purpose of Japan Bank for International Cooperation is to contribute to the sound development of Japan and the international economies and communities through undertaking lending and other financial operations for the promotion of Japanese exports, imports or Japanese economic activities overseas; for the stability of international financial order; and for economic and social development or economic stability in developing areas.



“In its role as a development institution, the World Bank has launched the carbon finance initiative to promote the Kyoto Mechanisms, creating a great benefit for social and sustainable development in the developing world.

As a Japanese public financial institution undertaking lending and other financial operations, including Overseas Development Assistance (ODA) loans to developing countries, and as one of the founding members of the Prototype Carbon Fund, JBIC has enjoyed joining hands with the World Bank in pioneering Clean Development Mechanism/Joint Implementation activities to reduce poverty and improve living standards in the developing world, while contributing to the global effort to combat climate change.

JBIC would like to continue working together with the World Bank to further facilitate carbon finance activities, provide financial assistance and disseminate technology and knowledge to help developing countries achieve the goal of poverty alleviation and sustainable rural development.”

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Jack D. Cogen, President, [Natsource](http://www.natsource.com/)

<http://www.natsource.com/>

Natsource possesses significant climate policy expertise in the public and private sectors and has also developed one of the largest environmental commodities brokerages in the world. To date, they have brokered emissions transactions of greenhouse gas (GHG) emissions, sulfur dioxide (SO₂), oxides of nitrogen (NO_x) and renewable energy certificates (RECs) with a net market value of over \$5,000,000,000.

“The World Bank has played a critical role in the development of the carbon market which will make a major contribution to addressing global climate change. There had been much uncertainty with respect to the fate of the Kyoto Protocol until Russia agreed to ratify it. As a result, the market evolved slowly. During this time, the Bank’s carbon finance business, along with a few others, played a pioneering role in developing emission reduction projects. These projects provided all of those engaged in the market with important lessons regarding such key issues as baseline development, calculations of emission reductions and most importantly of the value of carbon finance. I think we all may look back and recognize that these efforts were essential in illustrating the benefits of emission reductions projects in addressing climate change and enhancing sustainable development.”

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David Corregidor, Deputy Director for Environment: Generation and Mining, ENDESA, S.A., Spain

<http://www.endesa.cl/>



ENDESA was created in 1943 as a private corporation subsidiary of the fiscal entity Corporación de Fomento de la Producción (CORFO) and has grown to become the leading utility in the Spanish electricity system and the number one private-sector multinational electricity utility in Latin America. It is also a major operator in the European Mediterranean region, particularly in Italy, and has a growing presence in the various natural gas market segments in Spain and Portugal, as well as equity interests in companies in the telecommunications industry and in other services that complement and contribute value to its core business.

“The World Bank entered the carbon market in the year 1999 when there was a huge uncertainty, and supply and demand for carbon assets was almost non-existent.

With the operation of the different carbon funds, the World Bank has been able to demonstrate that the carbon market can achieve two goals: increase investment in clean technologies in developing countries while helping OECD countries reduce their climate change bill. Furthermore the Bank has played a very important role in the development of this market's regulatory framework.

From a private company's perspective, the World Bank has two very important things to offer. First, a high qualified team of people who can help us learn about the carbon market and its opportunities and second, high quality emission reductions at reasonable price and risk.

After one and a half years of participation in the Community Development Carbon Fund (CDCF) ENDESA is more than satisfied with the goals that have been achieved and we realize that joining the fund was a very good decision.”

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Jean-Claude Steffens, Director, Environment and Innovation, SUEZ, S.A. , Representative of Elactrabel in the PCF and Chairman of the Participants' Committee of the Prototype Carbon Fund (PCF).

<http://www.tractebel.com/>

SUEZ-TRACTEBEL (formerly Tractebel) is Belgium's top utility holding company and one of the world's top independent power producers, with operations in more than 100 countries on five continents. A subsidiary of French energy conglomerate SUEZ, the company has an electric generating capacity of approximately 55,000 MW. SUEZ-TRACTEBEL SA, a wholly owned subsidiary of SUEZ. SUEZ is an international industrial and services Group, active in sustainable development that provides businesses, public authorities and individuals with innovative solutions in Energy and the Environment.

“There are points in history where no single actor - be it a government, be it a large company - is able to give enough momentum to significant changes in large structures. At the same time, identifying partners and bringing forces together to go ahead in a highly uncertain context does not happen just like that. You need a catalyst. And this is precisely what the World Bank has



been: a catalyst with added value. The catalyst has attracted committed actors from public and private circles and the added value of knowledge and experience. The interaction among participants and between participants and Bank's staff has helped make the process highly efficient. This pioneering work bears its fruits now and, what is even more important, paves the way for many other new initiatives."

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Daniela Stoycheva, National Focal Point on United Nations Framework Convention on Climate Change (UNFCCC), Ministry of Environment and Water, Bulgaria

"The World Bank Carbon Finance Program and Bulgaria have had a very fruitful cooperation in the field of climate change mitigation up to now. One of the first Agreements on JI cooperation was with Prototype Carbon Fund (PCF) and the very first Emission Reduction Purchase Agreement was concluded. Until now two Joint Implementation projects have been successfully initiated. This experience served as a basis for further development of the mechanism in Bulgaria by the signing of a new Memoranda and initiating 10 more projects with other countries.

Another success story is creation of the Study on "Options for designing of Green Investment Scheme for Bulgaria" developed with the support of the World Bank. A Green Investment Scheme is a mechanism for receiving payments for AAUs (Assigned Amount Units) that are invested in activities that reduce emissions (called "greening"), providing countries with economies in transition with a revenue stream earmarked for climate change mitigation purposes that otherwise might not be forthcoming. The funding could also be channeled towards capacity building activities for strengthening the capacity of Bulgaria to implement the Kyoto Protocol, including improved monitoring, inventories, etc. The study fully met the expectations of the country. Bulgaria highly acknowledges the added value of the World Bank involvement in this process, and would appreciate further support of the World Bank team for the establishment of the Scheme."

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Marcela Main S., Departamento de Relaciones Internacionales, Dirección Ejecutiva, CONAMA, Chile

<http://www.conama.cl/portal/1255/channel.html>

"The World Bank has played a crucial role in the carbon market since the very beginning of its origins. Not only was it the first buyer of credits and thus helped to establish credibility in the scheme, but the Bank also built and continuously enhanced capacities within both developed and developing countries. Legal papers, risk analyses, pricing data and many other market information has been provided by the Bank and this is very helpful and of enormous importance while making decisions both at a market level and in policy making issues.

Thanks to the World Bank and its different initiatives, many Designated National Authorities (DNAs) have been born. The National Strategy Study program gave the basic background to



authorities so they could make the necessary arrangements to establish their Kyoto Protocol institutionally.

The World Bank has also been a key force in issues that are especially relevant for Latin American countries. The Bio Carbon Fund, for example, is one of the few alternatives for afforestation and reforestation projects, and the Community Development Carbon Fund (CDCF) has an enormous potential to actually secure sustainable development while reducing greenhouse gas emissions.

Carbon Expo is another initiative that although only in its second year, has become the most relevant event in the carbon market world. It is Chiles' view that, bringing together buyers, sellers, service providers and DNAs has proven to be the main opportunity not only to make businesses but also to get up-to-date information, knowledge and contacts.

Finally, World Bank has put together a staff that is highly professional and at the same time is closely involved with project proponents and host countries. The role that the Bank has played and its continuing evolution and innovation has placed it in a leading position in this market."

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Teresa Ribera Rodríguez, Director - Climate Change Spanish Office, Ministry of Environment, Spain

<http://www.conama.org/view/default.php>

"In order to reach its target under the Kyoto Protocol, the Spanish Government has decided to use, in addition to domestic measures, the flexible mechanisms of the Kyoto Protocol. When designing strategies for national compliance, the Cabinet stated as an objective to obtain 100 Mt CO₂e through the flexible mechanisms. Spain has designed a strategy to obtain this amount of units through several actors and the World Bank has played a leading role in it. Spain will invest in the Bio Carbon Fund, the Community Development Carbon Fund (CDCF) and a new Spanish Fund managed by the World Bank, with the overall objective to obtain as much as 40 MtCO₂e from now till the end of the first commitment period, i.e. 2012.

The World Bank is seen by the Spanish Government as one of the most experienced institutions in this market. Its experience will help us to learn and integrate knowledge in our own work, as well as to assure that the investment we make is linked to social and environmentally sound projects. These elements are quite important for us but they are not the only ones. Our intention is to count on a varied portfolio of projects, with a little bit of everything, but giving priority to the Clean Development Mechanism (CDM), with special attention to projects on energy efficiency and renewables, particularly in Latin America.

We are sure the World Bank will play a key role in the future carbon market and we are sure its work will be done with a spirit consistent with the United Nations Framework Convention on Climate Change (UNFCCC) principles and Kyoto Protocol commitments."