
Carbon Financing for Biomass Projects

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KWI Climate Change Background

- **JOINT project - JI in 14 European countries**
- **BASE project - JI baselines in 5 CEE countries**
- **Developing JI projects in Poland, Slovenia, Czech Republic and Bulgaria**
- **Developing Project Preparation Facility for the European Commission (DG ENV)**
- **Working with World Bank on Climate Change projects (biomass, small hydro, geothermal, CHP)**
- **CO2 monitoring for Podhale geothermal project (Poland)**
- **Working with different ministries and institutions in Austria on climate change**

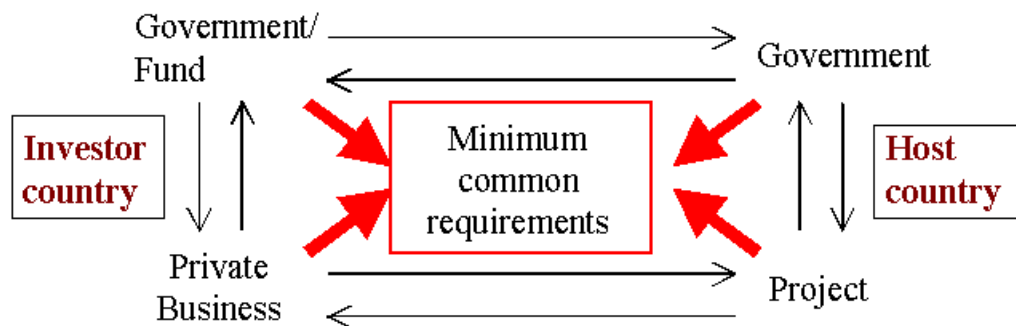


What is “Carbon Financing”

- Kyoto Protocol demands CO2 emission reductions (e.g. Slovakia -8%, Austria -13%)
- Countries can use domestic measures and “flexible mechanisms” to fulfil their commitment
- Joint Implementation (JI) between industrialised countries
- Emission reductions have to be additional to baseline
- Countries/funds are buying CO2 emission reductions from projects => additional financing for projects



Project partners



**Prototype Carbon Fund
(PCF)** www.prototypecarbonfund.org

- **Financed by**
 - 6 countries (CDN, FIN, JAP, NED, NOR, SWE)
 - 17 companies (BP, Deutsche Bank, Gas de France, Mitsubishi, RWE, Statoil,...)
- **Funding 145 MUSD**
- **Price paid per ton of CO₂ between 3 and 6 USD**
- **Agreement between PCF and Slovak government under preparation**
- **Project focus: biomass, small hydro, wind, CHP, energy efficiency**



Eru-PT I www.carboncredits.nl

- **Financed by Dutch government**
- **Based on tenders (next closing 4 March)**
- **MOU with Slovak government signed**
- **Funding**
 - 40 MEUR for first phase J1
 - 50 MEUR for second phase J1
- **Price paid per ton of CO₂ between 5 and 9 Euro (1st tender), expected to go down (3 to 5 Euro)**



Eru-PT II

Projects approved (1st phase)

- Romania District heating
- Romania Hydro power
- Romania CHP
- Poland Wind power
- Czech Republic Biomass (28 projects)

In total 4,2 Mio tons of CO₂, 40 MEUR



Other opportunities

- **Austrian JI/CDM programme under preparation**
 - Operational from 2003
 - Expected financing 36 MEUR per year
- **Other countries prepare their national programmes (Denmark, Finland,...)**
- **Strong emphasis on emissions trading**
- **International investors are looking for individual CO₂ mitigation projects**



Recommendations for carbon financing

- Well developed projects
- Biomass unit main part of the project
- Bundling of projects
- Take methane into consideration
- Replace carbon intensive fuels (coal, fuel oil)



Further questions?

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