



CASE STUDY 28: GLOBAL – CARBON PARTNERSHIP FACILITY

Barriers	Limited demand for post 2012 carbon assets
Instrument	Purchase of carbon credits from emission reduction programs
Application	n/a
Amount	n/a

PROJECT BACKGROUND AND OBJECTIVES

There were uncertainties regarding the future of international climate regime for the post 2012 period. In addition, the short term, compliance driven buying interests in the carbon market do not support large, cleaner investments in energy and infrastructure that have long term emission reduction potential. The project-by-project approach under Kyoto Protocol incurred high transaction costs and did not generate the kind of transformation in emission-intensive sectors that large scale programs can produce.

Therefore, the World Bank created a Carbon Partnership Facility (CPF), which was designed to develop emission reductions and support their purchase over long periods after 2012. The CPF utilizes scaled-up, programmatic approaches, such as the Programme of Activities, to enable carbon finance to support partner country initiatives in their effort to move towards low-carbon economies.

INSTRUMENTS USED

The CPF is comprised of two trust funds:

- the Carbon Asset Development Fund (CADF) to prepare and implement emission-reduction programs, and

- the Carbon Fund (CF) to purchase carbon credits from the pool of emission reduction programs.

INSTITUTIONAL ARRANGEMENTS

The CPF is employing a governance structure that features the balanced participation of buyers and sellers. Host country governments and donors will also directly participate in the governance of the CPF in an advisory capacity. Donor contributors may include governments and other public and private entities.

OUTCOMES

As of June 2011, the CPF Buyer Participants included the Governments of Spain, Norway and Sweden, and Endesa SA and E.ON Carbon Sourcing GmbH. The Seller Participants were the Fonds D'equipement Communal of Morocco, Caixa Econômica Federal of Brazil, the Ministry of Industry and Trade of Vietnam, the Greater Amman Municipality, the Provincial Electricity Authority of Thailand and the Hebei Green Agriculture Company. Donors to the Carbon Asset Development Fund included the Governments of Spain, Norway and Italy, and the European Commission.

Further reading:

World Bank Carbon Partnership Facility website – click [here](#)

World Bank, Carbon Finance at the World Bank website – click [here](#)