







IFC's Carbon Delivery Guarantee

Marketplace on
Innovative Financial
Solutions for
Development

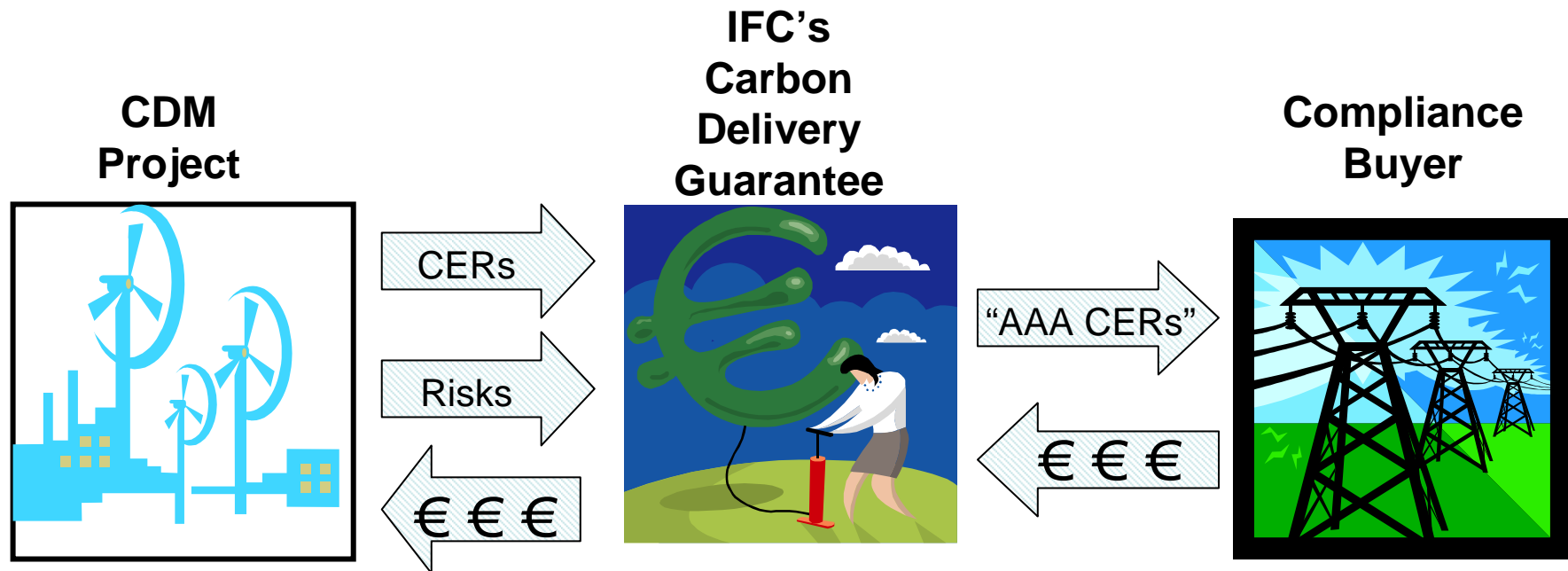
Paris, March 2010



How did IFC acquire carbon market experience?*

 <p>Villa Dominico Argentina €5,500,000 2006 Landfill gas capture</p>	 <p>Brascan Energetica Brazil € 8,500,000 2005 Run-of-river hydros</p>	 <p>Deqingyuan China €3,500,000 2008 Biogas to power</p>	 <p>Kangyuan China €6,200,000 2008 Run-of-river hydros</p>
 <p>Phascon China €16,000,000 2008 Landfill gas to power</p>	 <p>Xinglong China €3,100,000 2008 Run-of-river hydros</p>	 <p>Balrampur Chini Mills Ltd. India €7,600,000 2005 Bagasse cogeneration</p>	 <p>Enercon India €6,600,000 2006 Wind farms</p>
 <p>IHDC India €4,800,000 2006 Run-of-river hydros</p>	 <p>Core Carbon Group Russia Confidential 2007 N₂O destruction</p>	 <p>Ecopower Sri Lanka €3,600,000 2005 Run-of-river hydros</p>	 <p>ING Bank Ukraine 550,000 ERUs 2007 Coal mine methane</p>

What is the Carbon Delivery Guarantee?



Why is IFC well-positioned to offer the CDG?

- Leverages IFC's ability to take project & credit risk in emerging markets
- Guarantees delivery of CERs to buyers
 - Fully mitigates emerging market project, credit, and country risks
 - Minimal reputation risks for buyers (best-of-class E&S)
- 3 deals committed for 2.2 M CERs



RAIN CII
RAIN CII CARBON LLC

Rain CII Carbon (India) Ltd.
India
850,000 CERs
2007
Waste heat recovery



OMNIA

Omnia Fertilizer
South Africa
900,000 CERs
2008
N₂O destruction



HIMADRI

Himadri Chemicals & Industries
India
460,000 CERs
2009
Waste heat recovery

How Sellers benefit when selling CERs to IFC?

- Premium pricing for CERs
 - IFC will on-sell CERs with a Delivery Guarantee to buyers unwilling to take emerging market project and credit risk
 - Pricing linked to traded carbon market
- Price transparency
 - IFC discloses prices obtained from buyers
 - IFC does not trade CERs => qualifying sellers get top \$
 - IFC only earns a pre-agreed spread
- Enhanced flexibility in structuring
 - Sellers determine when to lock in price
 - Longer tenors up to 2020; post-2012 priced when forward market is in place

How Buyers benefit when buying CERs from IFC?

- IFC is the only AAA-rated institution focused entirely on the private sector in developing countries
 - Significant experience with carbon markets and derivatives
 - Access to deals: IFC projects & extensive field presence
- IFC is the leader in environment & social development issues
 - “Equator Principles” – 50+ banks from 15+ countries have signed up
 - Minimizes potential reputation risks from CER purchases; all projects must comply with IFC’s E&S Performance Standards

CDG as an Innovative Financial Solution for Development

- Carbon is key for mobilizing financing to mitigate climate change and put developing countries on a low-carbon growth trajectory
- The CDG is a structured financial product developed specifically for the carbon market
- Through the CDG developing country projects maximize the value of carbon with transparent access to traded emission markets
- IFC is the only multilateral leveraging its 50+ years of project finance experience to develop innovative financial products for the carbon market including the flagship CDG

For information on IFC's Carbon Delivery Guarantee and other carbon finance products, please contact:



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