

Asia-Pacific Carbon Fund

Management	The Asian Development Bank (ADB) acts as both trustee and manager.
Objectives	The main objectives are to: (i) increase the number of renewable energy and energy efficiency projects with greenhouse gas abatement benefits being undertaken in developing member countries (DMCs) of the ADB. The fund can provide such projects with a new source of finance and thus facilitate the participation of these countries in projects that mitigate the adverse impact of climate change; (ii) assist ADB's developed member countries that have legal obligations under the Kyoto Protocol to meet those obligations by having ongoing access to CERs; and (iii) catalyse additional investment from developed countries to improve energy access in the Asia-Pacific region and contribute to sustainable development.

INVESTORS

Eligible investors	Participation is open to governments and public agencies of ADB's developed member countries.
Committed investors	The Spanish government and Swiss Climate Cent Foundation are lead investors, at \$30 million and \$25 million respectively. Other investors include the Finnish, Luxembourg and Swedish governments.
Management fees	Not disclosed
Repayment terms	CERs distributed to fund participants pro rata to their respective contributions.

SIZE

Target size	\$150 million
Secured capital	circa \$85 million
Capital invested	Investment of fund assets subject to fund launch in May/June 2007.

DATES

Launched	May/June 2007
First closing	May 2007
Final closing	30 June 2007
Date of first investments	2007
Date to be fully invested	2012

PROJECT ELIGIBILITY

Geographic coverage of eligible projects	All projects must be located in an ADB developing member country that is CDM-eligible under the Kyoto Protocol.
Type of eligible projects	The fund will primarily target projects that provide energy security

	benefits as well as attractive CER generation opportunities. The target areas will be: a) methane capture and utilisation, including (i) coalmine methane and (ii) solid waste and waste-water treatment; b) energy efficiency, including (i) industrial technology, and (ii) supply-side technology (eg, an upgrade of generation equipment); and c) renewable energy, including (i) small to medium-sized run-of-river hydropower, (ii) biomass (eg, biogas and biofuels), (iii) wind power; (iv) solar power, and (v) geothermal power.
Diversification criteria	Project criteria and project portfolio determined by the fund board.
Eligibility criteria	To pre-qualify for co-financing support from the fund, projects must: a) be located in a ADB developing member country that is a CDM-eligible country under the Kyoto Protocol; b) be validated as a CDM project by a designated operational entity (DOE); c) generate permanent and not temporary GHG reductions; d) have access to ADB support in the form of debt, equity or guarantee, or technical support; and e) comply with ADB operational policies and procedures.

CONTRACTUAL ISSUES

Underdelivery penalties	Subject to particulars of each transaction.
Upfront payments	The fund is a co-financing investment fund where 100% payment on an upfront basis is possible.
Cost sharing	The fund will not pay any project entity transaction costs. However, another element of the ADB's Carbon Market Initiative is the Technical Support Facility (TSF), which can assist project entities in satisfying the project-specific CDM-related registration requirements. This assistance can come in the form of both specialist technical support from TSF professional staff and consultants and/or contributions to some of the transaction costs.
Risk sharing	Subject to particulars of each transaction. All transaction terms will be confidential.
Legal structure	ADB is a multilateral development financial institution owned by 67 member countries, 48 from the region and 19 from other parts of the globe. It is headquartered in Manila, Philippines.
Legal advisers	To be appointed upon fund launch in May 2007.
Advisers/consultants	To be appointed upon fund launch in May 2007.

Contact details

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