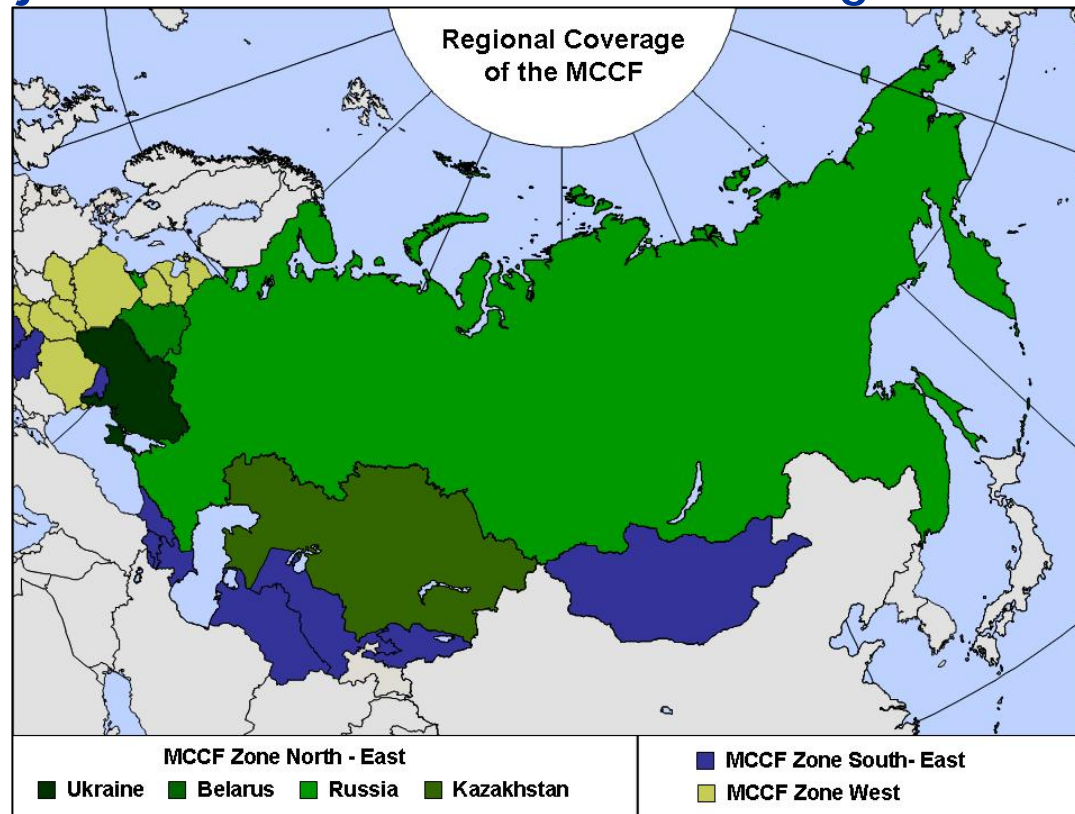


The Multilateral Carbon Credit Fund

A joint EBRD and EIB climate change initiative



Multilateral Carbon Credit Fund (MCCF) – Key Features

- Joint initiative by EBRD and European Investment Bank
- €150 million dedicated to buying Emission Reduction Units (+€58.5 million for Green Investment Scheme)
- Participants: six countries and five large private companies
 - Belgium, Finland, Ireland, Luxembourg, Spain, Sweden
 - Zeroemissions (Spain), ČEZ (Czech Republic), Gas Natural (Spain), Endesa (Spain), and PPC (Greece)
- **GreenStream Network Plc. is Carbon Manager**, appointed by MCCF to manage operations in Russia, Ukraine, Belarus and Kazakhstan
 - GreenStream works with potential sellers to develop their investments as Joint Implementation projects and to agree with them a purchase of Carbon Credits for the MCCF.

Emission reductions are purchased along side **EBRD and /or EIB financing** – their financial involvement in the project is **precondition for the MCCF to buy** emission reduction units.



MCCF Carbon manager – GreenStream Network Plc.

- **GreenStream Network (GSN)** is a Northern European company specializing in carbon and renewable energy markets.
 - GSN's investment services help project developers, technology suppliers and investors benefit from the emerging greenhouse gas and green certificate markets.
 - GSN offers services for companies that are looking for opportunities in the environmental markets, i.e. who are aiming in selling or buying EU emission allowances, green certificates or emission reductions
 - GSN offers advisory services for organizations whose business is affected by emissions and certificates trading and companies acting on the markets GreenStream support clients in defining a strategic response towards.

40 professionals and has offices and representatives in:

- Helsinki
- Moscow
- Kiev
- Berlin
- Oslo
- Stockholm
- Vilnius
- Beijing



Multilateral Carbon Credit Fund (MCCF) – Key Features

MCCF has signed ERPAs in Ukraine and Russia with sponsors in following sectors:

- Oil industry: utilization of previously flared Associated Petroleum Gas
- Cement industry: commissioning of the new dry lines, increase of the clinker/cement ratio and use of alternative fuels
- Energy efficiency in steel industry
- Efficiency improvements in power production
- Rehabilitation of the district heating systems



Most advanced MCCF Projects in Russia

Project	Air Separation Plant in Cherepovets	APG Flaring Reduction at Yarakta Oil Field, Irkutsk
Project investor	CJSC Air Liquide Severstal (ALS)	JSC UstKutNefteGas (UKNG) (controlled by Irkutsk Oil Company)
Description of the project	Cryogenic air separation plant. Production of technical gases, esp. high pressure oxygen and nitrogen.	New gas processing plant and the gas re-injection equipment allowing recovery and utilization of APG.
Crediting period	2008-2012	2011-2012
Total ERUs	500,000	600,000



EBRD Sustainable Energy Initiative (SEI)

Overall Results, 2006-2010 YTD:

- EBRD SEI investments of € 4.7 billion for total project value of over € 23.5 billion
- Investments in 269 projects and 27 countries
- EBRD SEI financing account on average for 20% of the Bank's total investment
- Annual emission reduction of 29 million tons of CO2 (> emissions of Croatia)
- TA grant funding mobilisation target: €100 million , Investment grants – €250 million



1. Industrial Energy Efficiency



2. Sustainable Energy Financing Facilities



3. Power Sector Energy Efficiency



4. Renewable Energy Scale-up



5. Municipal Infrastructure Energy Efficiency



6. Carbon Markets Development



EBRD operations in Russia

- Russia – EBRD shareholder and key country of operations
- Since 1991 invested in Russian projects **€12.2 bln** of own EBRD funds and mobilised €9 bln from private sources for a total project cost of **€40 bln**.
- **€2.4bn** of investments for 56 operations in 2009
(or ~30% of total new commitments in 2009)
- 7 Regional Offices covering all Federal Districts (North-West covered by the St. Petersburg office)



Sustainable Energy – Key Priority of EBRD in Russia

- **Energy Efficiency** – core of new EBRD Country Strategy for Russia adopted in 2009
- **MoU with Ministry of Economic Development** of RF on energy efficiency (signed in 2009, including support to Russia with the development of regulatory framework in the areas of carbon finance, renewables, energy efficiency)
- In Russia, EBRD invested **€1,26 bln of own funds in EE projects** since 2006 for a total project size of over **€4,5 bln**.
- **€11 million** of donor funding committed to date for TC to support Russian SEI operations
- In 2009 MOU signed with Sberbank regarding cooperation on energy efficiency and carbon finance, including JI and GIS



SEI Results in Russia (2006-2010 YTD)

SEI IN RUSSIA		
CATEGORY	SIGNED (€ MILLION)	NUMBER OF PROJECTS
SEI 1 INDUSTRIAL ENERGY EFFICIENCY	348.6	22
SEI 2 SUSTAINABLE ENERGY CREDIT LINES	47.0	3
SEI 3 CLEANER ENERGY PRODUCTION	548.4	9
SEI 4 RENEWABLE ENERGY	66.3	1
SEI 5 MUNICIPAL INFRASTRUCTURE EE	218.8	19
Total	1,229.2	54



Financing small- and medium-size energy efficiency projects through partner banks

- EBRD **USD 300m credit line** program launched in 2009 in Russia (Russia Sustainable Energy and Carbon Finance Facility – RUSEFF)
- Initial focus on **industrial EE, RE projects** (sub-loans < **EUR 5m**)
- 2 participating banks – Promsvyazbank (USD 60m signed in 2009) and Rosbank (EUR 25m signed in May 2010)
- **EUR 3,5m technical assistance program** in place
 - Funding provided by EBRD Special Shareholder's Fund, German Ministry for Environmental Protection and Nuclear Safety
 - Support with EE projects preparation to banks and prospective sub-borrowers (**free-of-charge energy audits, technical advisory, etc**)
 - Office of technical consultants (MVV decon) in Moscow, Ekaterinburg, Novosibirsk
- Scope of RUSEFF may be expanded to other sectors such as **residential** (subject to development of regulatory framework)



EBRD Sustainable Energy Policy Dialogue in Russia

Russia:

- Climate policy efficiency study, disseminating the results
- Development of the Carbon Emission Factors for Russia and Ukraine for MED and NEIA (info: Philipp Eckert, Lahmeyer)
- EBRD is providing assistance to the Electricity Market Council / Ministry of Energy on the determination of the appropriate level of support tariffs/market premium for Renewable Energy
- Legislation on Improving Energy Efficiency in Residential Buildings for Ministry of Regional Development of the Russian Federation (assistance to the ministry in preparing and finalizing regulations related to energy efficiency requirements, as well as energy efficiency classification of apartment buildings)
- Legislation on Improving Energy Efficiency in Public Buildings for Ministry of Economic Development of the Russian Federation (assistance to the ministry in preparation of supportive regulatory framework for energy performance contracting)
- Development of Carbon Abatement Cost Curves For Russia
- Further work under consideration aiming at leveraging, such as Programmatic approaches.



EBRD / Greenstream Contacts

**Jan-Willem Van De Ven, EBRD, Head
of Secretariat MCCF**

E-mail: vandevj@ebrd.com

Tel: +44 20 73387821

EBRD

One Exchange Square,
London EC2A 2JN

**Elena Depova, Greenstream, Country
Manager**

E-mail: elena.depova@greenstream.net

Tel: +7 916 1586439

GreenStream Network Plc.

**Pavel Teremetsky, EBRD, Principal
Manager**

E-mail: teremetp@ebrd.com

Tel: +7 495 787 1111 ext. 162

EBRD

Ducat Place III,
6 Gasheka street
Moscow 123056, Russia

