

# The Carbon Market: How It Works and Its Impacts on Various Clean Energy Sectors

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# What is EcoSecurities?

- > A leading carbon company:
  - Presence in **26** countries, more than **230** professional staff around the world.
  - **374** projects underway around the world, potentially producing **163 million** carbon credits, in **36** countries using **18** technologies.
  - **71** projects **registered** or submitted to registration with the CDM Executive Board, **133** projects **validated** or submitted for validation, **308** of the projects have secured **financing**, **210** projects are under construction or in operation.
  - The **first** to register CDM project with the Executive Board (NovaGerar, Brazil). Among the **first** projects delivering CERs in the world (La Esperanza Hydro, Honduras).
  - Developing about **1** of **4** approved CDM methodologies.
- > A public company listed in the London Stock Exchange (ticker ECO.L).
- > Voted as the “best CDM advisory” 6 years in a row, 2001 – 2006, and the “best project developer” in 2006, by the readers of the Environmental Finance magazine,
- > Voted as the “best carbon project development company” by PointCarbon, 2006.

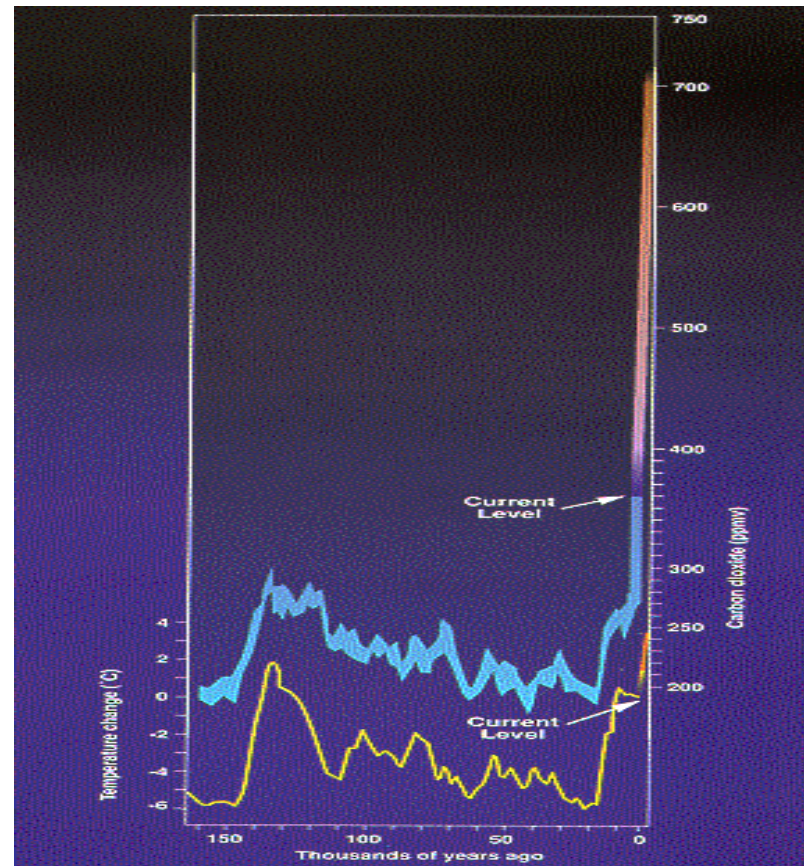


# Content of presentation

- > CDM 101:
  - Climate change
  - Kyoto Protocol
  - Clean Development Mechanism (CDM).
- > CDM: Concept, Procedure, and Market.
- > Structure of CDM financing.

## Climate change: a serious global environmental problem

- > Concentrations of climate change-inducing greenhouse gases continue to increase;
- > If not mitigated, impacts will be devastating:
  - Sea level rise;
  - Severed production of food and availability of water;
  - Increased incidence of malaria, dengue, and diarrhoea;
- > IPCC suggests a reduction of 60 – 80 percent below 1990 levels.



## Political initiatives

<b>1989</b>	<b>Establishment by the UNGA of the Intergovernmental Negotiating Committee (INC)</b>
<b>1992</b>	<b>UN Framework Convention on Climate Change (UNFCCC) signed in Rio de Janeiro, Brazil</b>
<b>1994</b>	<b>UNFCCC entered into force</b>
<b>1995</b>	<b>First Conference of the Parties (COP1) to the UNFCCC.</b>
<b>1997</b>	<b>Kyoto Protocol adopted at COP3 in Kyoto, Japan.</b>
<b>February 16, 2005</b>	<b>Kyoto Protocol entered into force</b>

## Ultimate Objective of the UNFCCC

- > “to achieve ... stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.
- > “Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner.”