CDM REFINANCING FACILITY

BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

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The bank for a changing world
Double our financing on renewable energy to 15Bn EUR by 2020

Support innovative start-ups by investing EUR100m investment by 2020 on Clean Tech

Tighten BNP Paribas coal sector policies

Factor climate risk in our business decisions

Play a major part on the green bonds market by becoming top 3 in Euro issues by 2018

“Our decision to more than double our financing in the field of renewable energies and to strengthen our carbon risk management procedures is both an environmental and economic necessity.”, Jean-Laurent Bonnafé, CEO BNP Paribas
GREEN BONDS & INVESTORS ENGAGEMENT: A GROWING TREND

Labelled Green/Sustainable bond issuance

Use of green bond proceeds by sector (%)

Source: Climate Bonds Initiative, 2015 Year End Review, BNP Paribas

Growth in SRI Assets under Management in Europe (millions)


The bank for a changing world
Indicative structure

Outline of the CDM facility

- The aim of the transaction is exclusively to refinance projects that are registered under the UNFCCC / Clean Development Mechanism ("CDM")
- The issuance of the Green Bond would be undertaken by a special purpose public company with limited liability
- Funds being raised primarily from institutional investors
## CDM Refinancing Facility - Benefits

| Innovation                                      | Single investment vehicle supporting energy transitions projects  
|                                               | Unique solution to refinance CDM projects through Capital Markets, bridging the gap between investors and projects in developing countries |
| Green Climate Fund participation               | Potential opportunity for the Green Climate Fund to participate (lending or guarantee)  
|                                               | Expanding the reach of the CDM facility towards investors |
| Investors demand                               | Suitable for the growing number of investors seeking green projects |
| Impact standards                               | Tackles investors ambitions to the energy transition  
|                                               | Suits investors requirements to report on environmental impact by providing a robust methodology |
| Replicability                                  | Sizeable pool of existing mitigation and adaptation projects to be refinanced |
# CDM Refinancing Facility – Complexity of the Structuring

**Project Assessment**
- Thorough analysis of individual projects, documentation and financing in place (pricing, tenor, hedge, …)

**Multiple Stakeholders**
- Multiple stakeholders at the project and financing level

**Sponsors of the Project**
- Alignment of the projects’ sponsors on the refinancing conditions

**Pool of Assets**
- High granularity adds complexity (numerous different projects, regulations and technologies to assess)

**Investors Requirements**
- Integrate all requirements including underlying projects (technology, countries), financing features and legal format