



PRESS RELEASE

MDG Carbon Facility announces project with Honduran farming cooperative Farmers and local community to benefit from carbon finance

New York, 19 December 2008 — The United Nations Development Programme (UNDP) today announced the addition of a new project for the MDG Carbon Facility, developed in collaboration with a cooperative of Honduran farmers. This new project adds to the MDG Carbon Facility's growing and diversified portfolio of projects.

During a signing ceremony at UNDP Headquarters in New York on 15 December 2008, the project developer, Energia Renovable Hondupalma (ERH), signed contracts with UNDP and Fortis Bank. UNDP has been engaged to provide technical assistance to ERH, who have had no previous experience in the carbon markets. Fortis Bank will purchase the project's carbon credits, providing a hard currency revenue stream.

The project involves capturing biogas from agricultural effluents which would otherwise be released into the atmosphere. The captured biogas will be used to generate electricity as well as to substitute for the use of fossil fuels. The reductions in greenhouse gas emissions will be rewarded with carbon credits under the Kyoto Protocol's Clean Development Mechanism (CDM).

"We were attracted to this project because of its blend of contributions to the Millennium Development Goals. The project supports sustainable development in Honduras and also creates a real contribution to efforts to mitigate emissions," added Niky Fabianic, Deputy Director for UNDP's Regional Bureau for Latin America and the Caribbean.

The project developer, ERH, is a wholly owned company of the cooperative of 30 Honduran farmers. The cooperative places a strong emphasis on sustainable and social development, providing ongoing financial support for a local hospital, school and infrastructure.

"We are pleased to partner with the MDG Carbon Facility for our project. Our focus on advancing the wellbeing of our workers, as well as that of our local community, makes the MDG Carbon Facility a great fit," said Marco Tulio Colindres, General Manager at ERH.

The MDG Carbon Facility

The MDG Carbon Facility operates within the framework of the Clean Development Mechanism and Joint Implementation, the market-based mechanisms of the Kyoto Protocol that allow developed countries to meet their emission caps by purchasing carbon credits from developing country projects that reduce greenhouse-gas emissions. Although these mechanisms have rapidly grown into a billion-dollar, international market for carbon credits, carbon projects have so far been limited in geographic reach, restricted mainly to the largest developing countries, and have focused primarily on technologies that generate limited benefit for long-term sustainable development.

Under the terms of the MDG Carbon Facility partnership with Fortis Bank, UNDP helps developing countries conceive projects intended to reduce emissions of greenhouse gases, and

assists these projects meet the Kyoto Protocol's agreed standards and deliver real, sustainable benefits to the environment and broader human development. Fortis Bank then purchases, and sells-on, the carbon credits generated by these projects. The proceeds from Fortis Bank's purchases provide developing countries and communities with a new flow of resources to finance much needed investment and to promote development.

UNDP invites prospective emission reduction projects to participate in the Facility. For more information, visit www.mdgcarbonfacility.org

About UNDP: UNDP is the UN's global development network, helping people meet their needs and build a better life. UNDP is on the ground in 166 countries, working as a trusted partner with governments, civil society and the private sector to help them find solutions to global and national development challenges.

With a US\$5 billion portfolio of energy and environment projects, UNDP is one of the world's largest providers of technical assistance in the area of climate change. For more information, visit www.undp.org

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