



Green Light: UNDP and Fortis Announce First Project Agreements for MDG Carbon Facility

Efforts toward greenhouse-gas reduction on track in Uzbekistan, Macedonia, Yemen and Rwanda

Brussels, 21 February 2008—The United Nations Development Programme (UNDP) and Dutch-Belgian finance group Fortis today announced the first project agreements of the new MDG Carbon Facility, a joint effort to support greenhouse-gas-reducing development projects through the carbon-trading mechanisms of the Kyoto Protocol.

The projects, located in Uzbekistan, Macedonia, Yemen and Rwanda, aspire to use financing from carbon credits to benefit not only the environment, but also to further economic and social development in those countries. All of the projects would bring the benefits of Clean Development Mechanism (CDM) support to countries where previously there has been little or no CDM activity. UNDP and Fortis announced the projects' initial agreements at an event during the Sixth European Business Summit, titled "Greening the Economy." The 'MDGs' short for the 'Millennium Development Goals', are specific 2015 targets, agreed by United Nations member states, for diminishing global poverty and achieving major advances in health, education, environment and equality.

"Fortis is proud to be working with UNDP to spread the benefits of the carbon market to new parts of the developing world," said Seb Walhain, Director of Environmental Markets at Fortis Merchant Banking. "This is only a start for the MDG Carbon Facility, but it's an excellent start showcasing exactly the benefits we wanted to prove could be gained from carbon finance. We now need to capitalise on the climate-change momentum and convert it to real progress on a broad front."

"The MDG Carbon Facility enables us to do two things at once: Support sustainable development at ground level and also make a real contribution to worldwide efforts to mitigate emissions," added Olav Kjørven, UNDP Assistant Administrator and a member of UN Secretary-General Ban Ki-moon's Climate Change Team. "The commitment of Fortis to these goals clearly demonstrates the positive role the private sector can play in the climate-change response."

The MDG Carbon Facility's first four project agreements consist of three methane capture projects located in Uzbekistan, Macedonia, and Yemen, and a renewable energy project in Rwanda. Having signed initial agreements, these projects are now undergoing a detailed due diligence process by UNDP and Fortis.

The MDG Carbon Facility will operate 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 contribute to reducing 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, UNDP will help developing countries conceive projects intended to reduce emissions of greenhouse gases, and will ensure that these projects meet the Kyoto Protocol's agreed standards and deliver real, sustainable benefits to the environment and broader human development. Fortis will then purchase, and sell-on, the carbon credits generated by these projects. The proceeds from Fortis' purchases will provide developing countries and communities with a new flow of resources to finance much needed investment and to promote development.

The partnership between UNDP and Fortis covers an initial pipeline of projects which will generate 15 million carbon credits during the Kyoto Protocol's first commitment period (2008-2012). UNDP and Fortis invite 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 EUR 7 billion portfolio of energy and environment projects, UNDP is already one of the world's largest providers of technical assistance in the area of climate change. For more information, visit www.undp.org

Fortis is an international financial services provider engaged in banking and insurance. We offer our personal, business and institutional customers a comprehensive package of products and services through our own channels, in collaboration with intermediaries and through other distribution partners. With a market capitalisation of EUR 32.8 billion (31/01/2008), Fortis ranks among the 15 largest financial institutions in Europe. Our sound solvency position, our presence in over 50 countries and our dedicated, professional workforce of 60,000 enable us to combine global strength with local flexibility and provide our clients with optimum support. Fortis is a market leader in carbon banking services, with a large and experienced team, and a horizontally integrated offering of carbon trading, trust and financing services. Fortis is committed to becoming carbon neutral across its operations. For more information, visit www.fortis.com

For more information:

UNDP:

Peter Thesin, UNDP Brussels, + 32 (0) 2-505-4628, peter.thesin@undp.be or Niamh Collier-Smith, UNDP New York, + 1 212-906-6111, niamh.collier@undp.org

Fortis

Press Contacts:

Brussels: +32 (0)2 565 35 84 *Utrecht:* +31 (0)30 226 32 19

Investor Relations:

Brussels: +32 (0)2 565 53 78 *Utrecht:* +31 (0)30 226 65 66

