

# Creating and selling Carbon Credits

[Focus on the future]

# ING Emissions Products

## Your partner in emission reduction

ING is a global financial services company providing banking, investments, life insurance and retirement services. We serve more than 75 million customers in Europe, the United States, Canada, Latin America, Asia and Australia. Based on market capitalisation (31 December 2007), ING is one of the 20 largest financial institutions worldwide.

Plans for new investments in energy efficiency or other new technology can lead to reductions in emissions of green house gases (GHGs). The Kyoto Protocol aims to reduce GHGs and makes it possible to turn emission reductions into tradable credits through the Joint Implementation and Clean Development Mechanism. There is a global market for these carbon credits and the proceeds can cover a substantial portion of the investment costs.

Emissions Products is part of ING Wholesale Banking. Our Emissions Products business has a primary focus on the Kyoto Protocol's Clean Development Mechanism (CDM) and Joint Implementation (JI) project-based mechanisms for reducing GHG emissions.

The Emissions Products team works with clients throughout ING's international network in developing and industrializing countries to originate, develop and market GHG emission reduction projects. In addition, through our client contacts and presence in the world's leading financial centres we also provide project owners access to a wide range of buyers of emission reduction credits.

# The ING Emissions Products team can help with:

- Assessing your investment programme to identify potential Kyoto emission reduction projects.
- Developing all necessary documentation and guiding the project through the CDM and JI regulatory process.
- Achieving the best prices and terms for the sale of Carbon Credits created.

## Important Criteria

The Kyoto Protocol sets certain criteria for emission reduction projects and the market has determined others. To qualify for a project with ING, it should meet the following Kyoto conditions:

- The project should be “additional” to what would normally happen. In practice this means that the income from the carbon credits must be an important factor in deciding to implement the project.
- A baseline study has to be performed to determine the level of CO<sub>2</sub> emissions in the absence of the emission reduction project.
- Formal approvals must be obtained from the government of both the seller and the buyer.
- More than 400,000 tonnes of CO<sub>2</sub> emission reductions over the period 2008 to 2012.

## What does ING offer?

- ING has been involved in Kyoto emission reduction projects and carbon credits since 2001.
- ING is only rewarded for its services if the project is successful and delivers income from carbon credits.
- ING is a reputable and strong partner, able to fulfil the long-term commitments required in this market.
- As a large international bank, ING can provide relevant banking products, such as performance guarantees and hedging services that may be required by both buyers and sellers on a case-by-case basis.

With its global coverage, financial strength and local presence, ING is well placed to meet the long-term commitments and challenges of the global carbon markets.

## Examples of projects ING has worked on:

- Use of waste heat to generate electricity in cement production (China)
- Diverse energy efficiency projects in steel sector (Chile, Russia, Ukraine)
- Diverse energy efficiency projects in pulp and paper sector (Ukraine)
- Destruction of  $N_2O$  in fertiliser production (Ukraine, Russia)
- Energy efficiency in chemical sector (Ukraine, Russia)
- Use of methane ( $CH_4$ ) from coal mines to generate electricity (China, Ukraine)
- Hydro power (Chile, China)
- Wind power (China)
- Biomass/biogas (Brazil, Chile)

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