

First Sino-French pilot project earmarked for the Panda Standard Announced at COP16 in Cancun

Agence Française de Développement (AFD), CBEEEX and BLUENEXT have expressed their willingness to jointly work on a first pilot Forest project for the Panda Standard. An AFD financed rural carbon program in Yunnan Province – including a 15,000ha Bamboo plantation scheme - is targeted to be the first Panda certified project.

This is a clear sign of China's and France's commitment and co-operation to tackle climate change. The AFD, the China Beijing Environment Exchange (CBEEEX) and BlueNext announced the signing of a Memorandum of Understanding to support the first pilot project for the newly launched Panda Standard at the 16th Conference of the Parties in Cancun.

In the framework of the AFD 35 million EUR loan agreement signed in April 2010 by the Chinese and French Finance Ministers, AFD will support a large scale rural carbon program in Yunnan province, this will include reforestation, the promotion of rural biogas and the development of sustainable agriculture techniques. In addition, the French Global Environment Fund (FFEM) will provide a 1 million EURO subsidy and work alongside the Administrative Centre for China's Agenda 21 (ACCA21) giving technical support, in particular, for the development of a Bamboo reforestation methodology under the Panda Standard. They will also publicly highlight Sino-French cooperation on rural carbon finance, and scale-up their activities worldwide with a special emphasis on Africa. The FFEM agreement was signed in November 2010 during Hu Jintao's state visit to France.

The Panda Standard is the first voluntary carbon standard developed specifically for China. Its specifications for Agriculture, Forestry and Other Land Use (AFOLU) will allow project developers to develop innovative carbon methodologies that will have the ability to substantially alleviate poverty in rural China.

“As the 16th Conference of the Parties focuses on forestry activities and domestic actions in emerging countries, AFD and its partners are much pleased to help China value its climate change mitigation potential through rural carbon. The Panda Standard provides a useful technical instrument to address the challenge of climate change for China.” said Jean-Yves Grosclaude, director technical operations of AFD.

About the Panda Standard

The Panda Standard is the first Chinese domestic voluntary carbon standard, designed to provide transparency and credibility in the nascent Chinese carbon market and to advance the PRC Government's poverty alleviation objectives by encouraging investments in China's rural economy. The

initial focus of the Panda Standard is Agriculture, Forestry and Other Land Use (AFOLU) projects in key regions. The Panda Standard effort aims to support the commitment of the PRC Government to changing the emissions intensity of its economy, help develop national capacity around domestic voluntary carbon markets, and promote AFOLU carbon offset projects with significant poverty alleviation impact.

About AFD

Agence Française de Développement (AFD) is a public development finance institution that has worked to fight poverty and support economic growth in developing countries and the French Overseas Communities for more than 60 years. AFD executes the French government's development aid policies. With offices in more than 50 countries, AFD finances and supports projects that improve people's living conditions, promote economic growth and protect the planet. AFD-funded projects provide schooling for children, support farmers and small businesses, supply drinking water, preserve tropical forests and fight climate change, among other things.

AFD committed over €6.2 billion to financing aid activities in developing countries and the French Overseas Communities in 2009. The funds should permit the vaccination of 1.8 million children, give 7.3 million people access to drinking water and create or save jobs for 900,000 workers engaged in private enterprise; funding for energy efficiency projects will save nearly 5 million tons of carbon dioxide emissions per year.

About CBEEEX

China Beijing Environment Exchange (CBEEEX) was founded on Aug 5th, 2008, established with the approval of the Beijing municipal government, which is a professional market platform for trading various environment equities. CBEEEX is an operational organization for open and centralized transaction of environment equity, established by China Beijing Equity Exchange (CBEX), CNOOC New Energy Investment Co. Ltd, China Guodian Corp. and China Everbright Investment Management Corp. CBEEEX is a public platform using economic measures to address environmental issues. Through its advanced transaction system and extensive network of membership and partnership, CBEEEX tends to realize optimization of resource allocation, minimization of pollution abatement cost and transaction cost, cost-effectiveness of environmental governance. Therefore, CBEEEX takes the development of resource-saving and environment-friendly society as its primary responsibility, and contributes to the realization of sustainable development through financial innovation.

About BlueNext

BlueNext is an environmental exchange with global ambitions. BlueNext was established in December 2007 when NYSE Euronext and Caisse des Dépôts joined forces to create the world's leading exchange for environmental-related products. BlueNext plays a key role in using markets mechanisms to price and reduce greenhouse gas emissions. For more information, go to: www.bluenext.eu.