



## IFC Signs Emissions Reductions Purchase Agreement in Sri Lanka

Washington, DC  
Ann Pasco  
Phone: + 1 (202) 473 967  
Email: [apasco@ifc.org](mailto:apasco@ifc.org)

**Washington, D.C., August 10, 2005** — The IFC-Netherlands Carbon Facility (INCaF), a joint initiative of the International Finance Corporation and the Dutch government, recently signed an agreement worth \$4.5 million to purchase greenhouse gas emission reductions from renewable energy projects in Sri Lanka. Sales of these carbon credits will take place under the Clean Development Mechanism of the Kyoto Protocol and will be used by government of the Netherlands to comply with its commitment under the protocol.

Eco Power (Private) Limited, the seller of these emissions credits, is a developer and operator of small-scale hydropower generation plants in Sri Lanka. International Resources Group, a U.S.-based energy and environmental consulting services company, facilitated the sale and will continue to assist Eco Power in complying with related procedures and requirements.

Carbon dioxide and other greenhouse gas emissions are considered to be the leading cause of global climate change. They have become a liability, but the Clean Development Mechanism has established certified emissions reductions as an asset that can be traded in global commodity markets. Eco Power will reduce emissions by displacing fossil fuel-based power generation from Sri Lanka's national grid with clean renewable energy generated from seven run-of-river projects that are in various stages of development and operation. Final installed capacity will be 31 megawatts. When bundled together, these projects will enable Eco Power to sell up to 115,000 tonnes per year of certified emissions reductions.

Rachel Kyte, director of IFC's Environment and Social Development Department, said, "While IFC has recently signed other agreements to purchase emission reductions from renewable energy projects in Brazil and India, this agreement demonstrates the viability of bundling several small-scale projects in one transaction. We are pleased to support the commendable efforts of project developers such as EcoPower."

The mission of IFC ([www.ifc.org](http://www.ifc.org)) is to promote sustainable private sector investment in emerging markets, helping to reduce poverty and improve people's lives. IFC finances private sector investments in developing and transition countries, mobilizes capital in the international financial markets, helps clients improve social and environmental sustainability, and provides technical assistance and advice to governments and businesses. From its founding in 1956 through FY04, IFC has committed more than \$44 billion of its own funds and arranged \$23 billion in syndications for 3,143 companies in 140 developing countries. IFC's worldwide committed portfolio as of FY04 was \$17.9 billion for its own account and \$5.5 billion held for participants in loan syndications.



International Resources Group  
1211 Connecticut Ave, NW, Suite 700  
Washington, DC 20036  
202-289-0100 FAX 202-289-7601  
[www.irgltd.com](http://www.irgltd.com)