

Client: World Bank / International Bank for Recovery and Development (WB / IBRD)

Duration: 2015 - 2022

Location: Global



Kommunalkredit Public Consulting has been selected to serve as Verification Agent for International Bank for Reconstruction and Development's (IBRD) new innovative climate finance mechanism, the Pilot Auction Facility for Methane and Climate Change Mitigation (PAF). The PAF is an innovative climate finance mechanism developed by the World Bank Group to stimulate investment in projects that reduce greenhouse gas emissions while maximizing the impact of public funds and leveraging private sector financing. It is a results-based mechanism that works by setting a floor price for emission reductions generated in respect of certain projects and programs.

The goals of the PAF are achieved by the auction of PAFERs that give holders the right, but not the obligation, to sell to the PAF emission reductions generated through the operation of projects or purchased on the secondary market.

The Verification Agent will conduct an independent desk review to certify / confirm the eligibility of emission reduction credits being redeemed with the PAF's puttable bonds. The successful completion of the desk review will be a pre-requisite for payment by the World Bank to bondholders. Upon completing its desk review the Verification Agent will receive the emission reduction credits from the bondholders and then transfer or retire the credits as instructed by the World Bank.