

# Financing CBM/CMM/AMM: Issues and Opportunities

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# Returns: What Do They Mean

- 50:50 (“\$ 0” or “\$ 100”) verses certainty of \$45
  - Investors almost always choose certainty
  - Investor overvalue downside risks
- IRR: 20% for you is the same as 40% for me
- Opportunity costs
- Locus of decision-making – profit seekers or health and safety experts as advocates

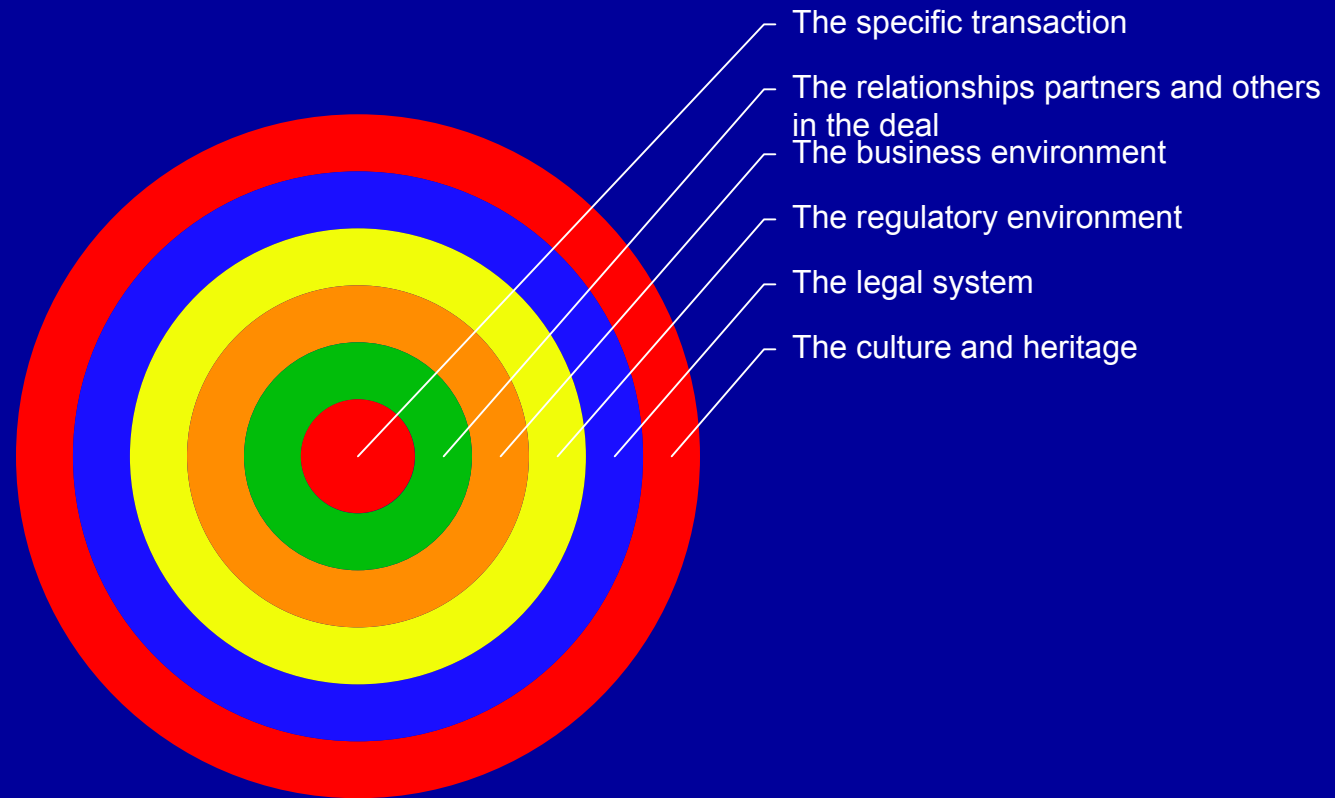
# Political Throw-Weight: Is anyone Paying Attention?

- To put in place certain laws, rules, and institutions, governments must pay attention
- A project-by-project focus does not yield the political attention needed
- Energy security, environmental activism, and safety issues are less of a political driver than revenue enhancements

# What is the Nature of the Transaction

- Engineering
- Geology
- Technology
- Finance
- Management

# The Factor Influencing the “Deal”



# The Advantage of Working Together

- Countries pay attention because you can achieve greater political power (where is the CBM/CMM NGO?)
- We can:
  - Reduce transactions cost
  - Increase the likelihood of success
  - Increase the likelihood of getting financial support

# Specialization Justifies Combined Efforts

- Financial analysis
- Risk analysis
- Procurement
- Documentation of GHG credits
- QA/QC of documentations
- Aggregating saved CH<sub>4</sub>
- Legal services
- Leveraging public-sector support

# What Can the CMM Group Do to Advance a Commercial Agenda

- Find ways to cooperate on a commercial agenda
- Find ways to cooperate on a policy agenda
- Accelerate formal or informal meetings
- Use the policy and “moral authority” of the UN ECE to secure policy changes and promote bundling projects
- Leadership and followership: do we want 100% of something small or nothing or a modest piece of something big?

# A Simple Conclusion

**“Just do it!”**

