

# UNEP's CDM Capacity Development: Strategies & Challenges

UNEP CDM Side Event, COP12/MOP2

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- UNEP's CDM technical assistance projects.
- Strategic approach to CB in CDM.
- Activities & products.
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# UNEP RISOE Centre's (URC) CDM TA Program

1. Capacity Development for CDM (CD4CDM) Project:
  - U\$12.5 million, Dutch funded project. Inception: mid 2002. Phase I: 12 countries, Phase II (completion Dec. 2008): 9 countries.
2. Using Carbon Finance for Sustainable Energy in Africa (CF-SEA) Project:
  - U\$1 million, UNF-CDCF funded, jointly implemented WB, UNEP-DTIE & URC. Five Sub-Saharan African countries.
3. CDM Capacity Development in Thailand:
  - U\$250,000, Danida-funded. Institutional support & CB for DNA & other entities.
4. Francophone CDM Forestation Project:
  - U\$3 million, French-funded, inception Jan. 2007. Seven SS African francophone countries.

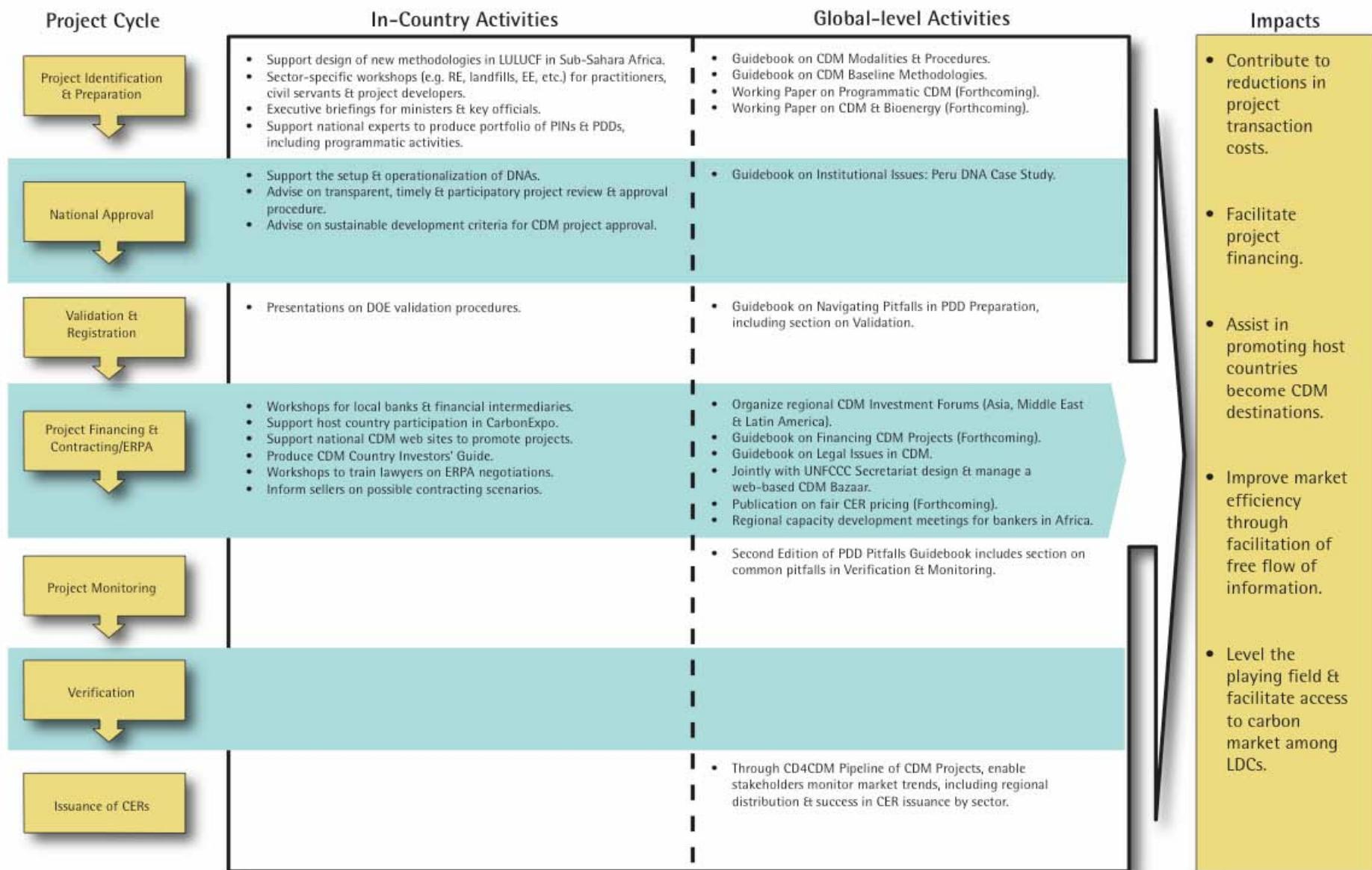
# Overall Target Countries

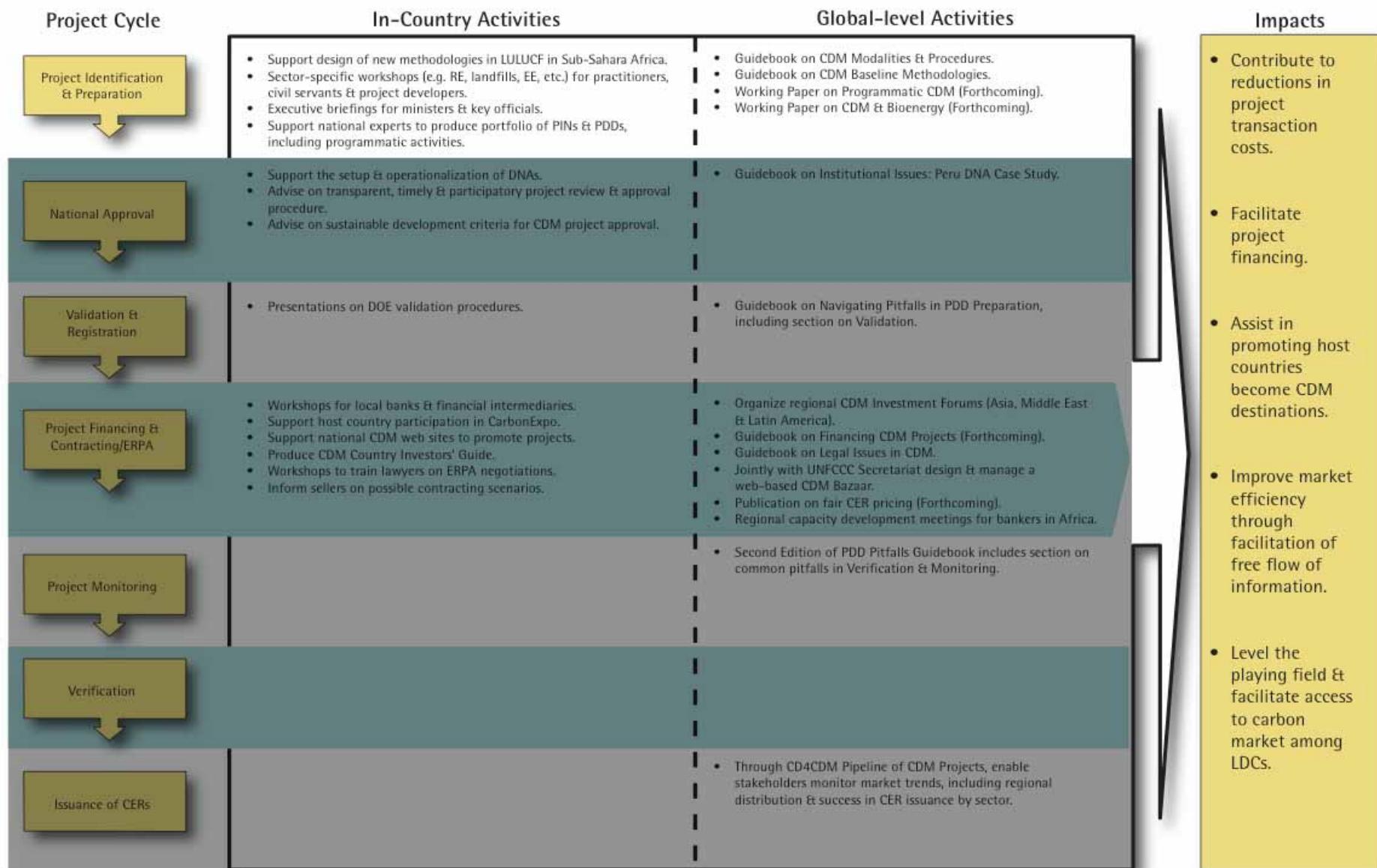
(completed, on-going & forthcoming)

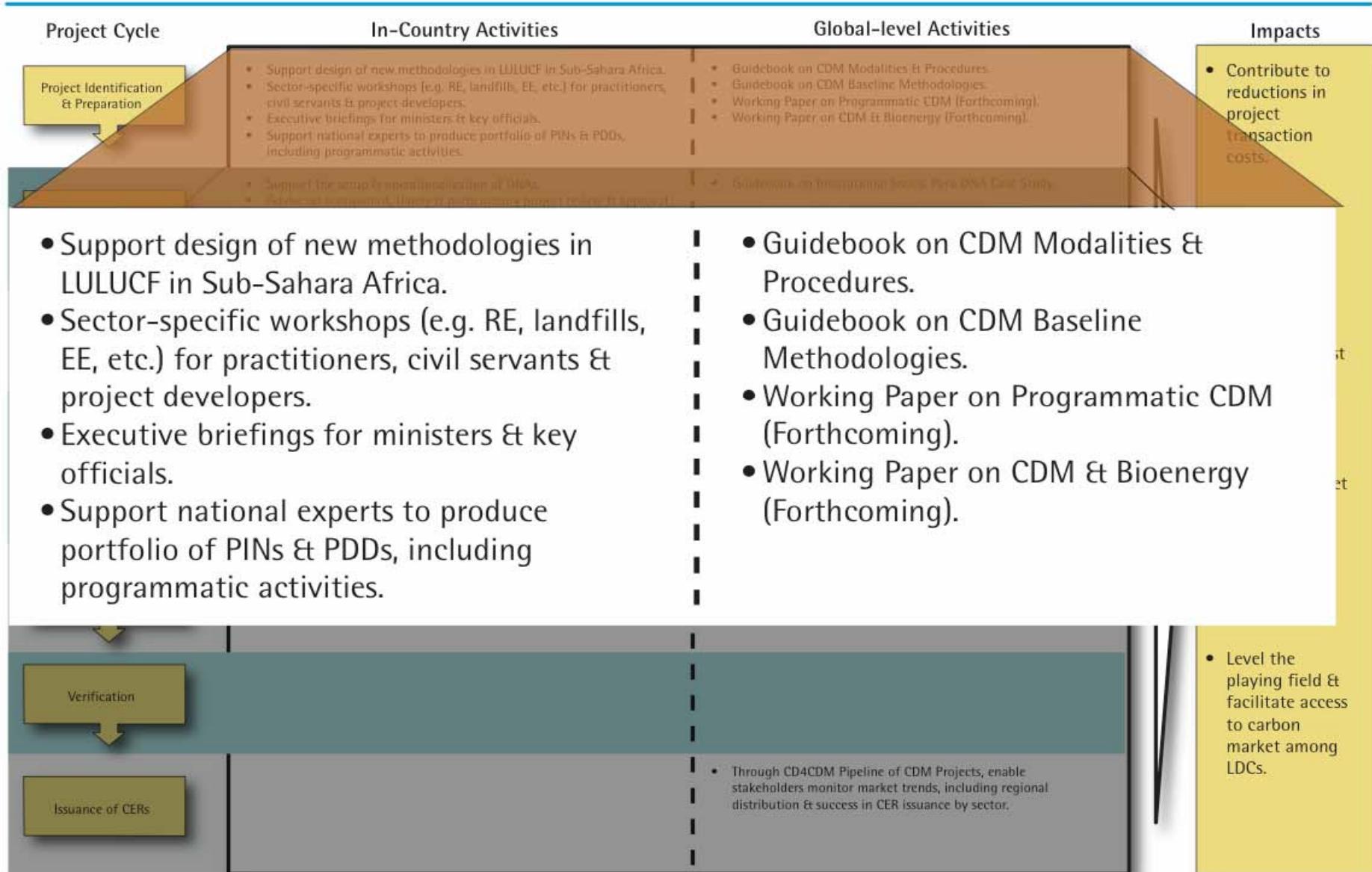
Latin America	SS Africa	Middle East/North Africa	South Asia
<ul style="list-style-type: none"><li>■ Cuba</li><li>■ Nicaragua</li><li>■ Peru</li><li>■ Bolivia</li><li>■ Ecuador</li><li>■ Guatemala</li></ul>	<ul style="list-style-type: none"><li>■ Ghana</li><li>■ Cameroon</li><li>■ Mali</li><li>■ Uganda</li><li>■ Cote d'Ivoire</li><li>■ Zambia</li><li>■ Mozambique</li><li>■ Mauritius</li><li>■ Tanzania</li><li>■ Benin</li><li>■ Gabon</li><li>■ Madagascar</li><li>■ Congo</li><li>■ Senegal</li></ul>	<ul style="list-style-type: none"><li>■ Algeria</li><li>■ Egypt</li><li>■ Morocco</li><li>■ Yemen</li></ul>	<ul style="list-style-type: none"><li>■ Cambodia</li><li>■ Bangladesh</li><li>■ Sri Lanka</li><li>■ Philippines</li><li>■ Vietnam</li></ul>

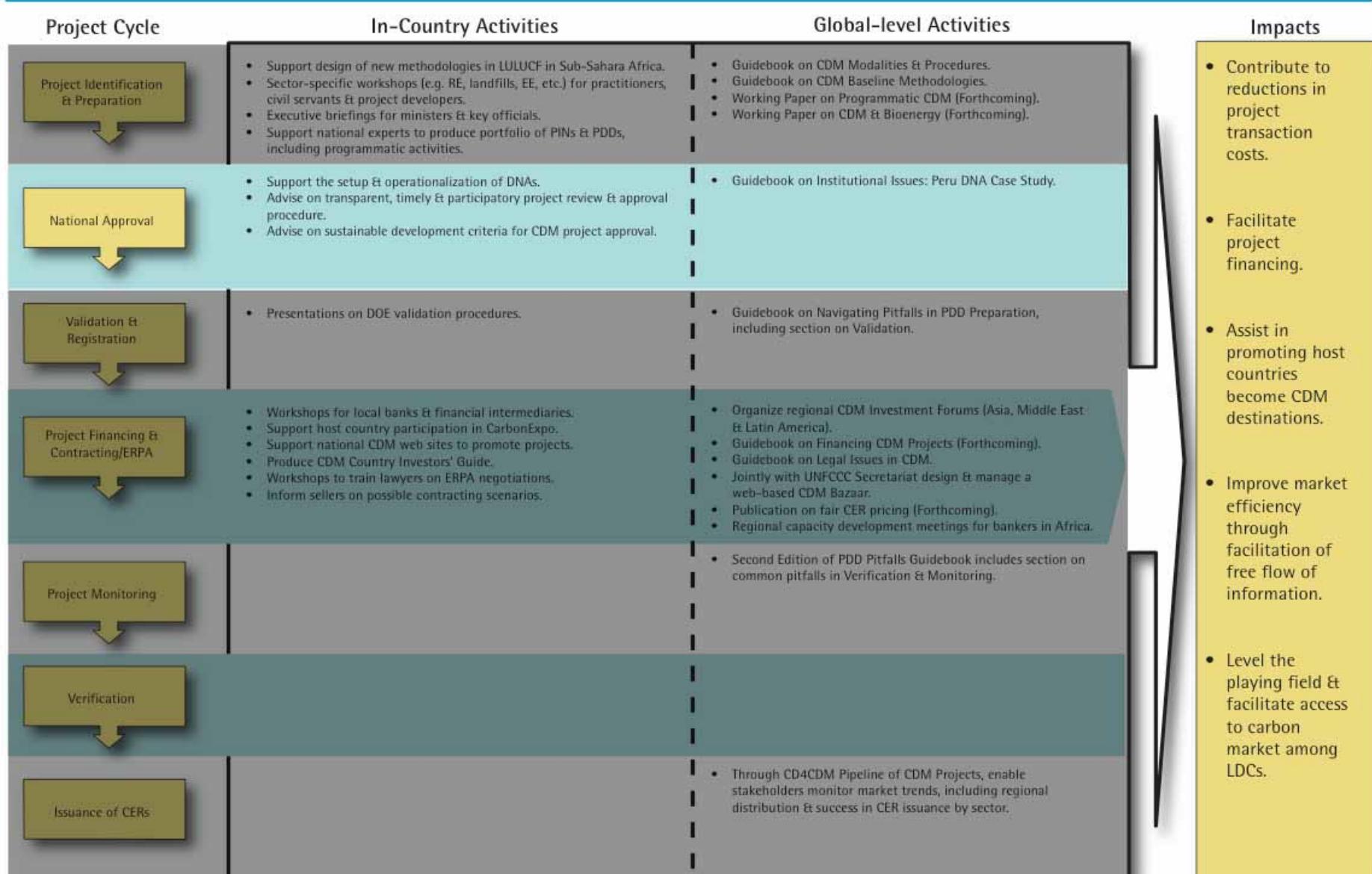
# Capacity Building Strategy

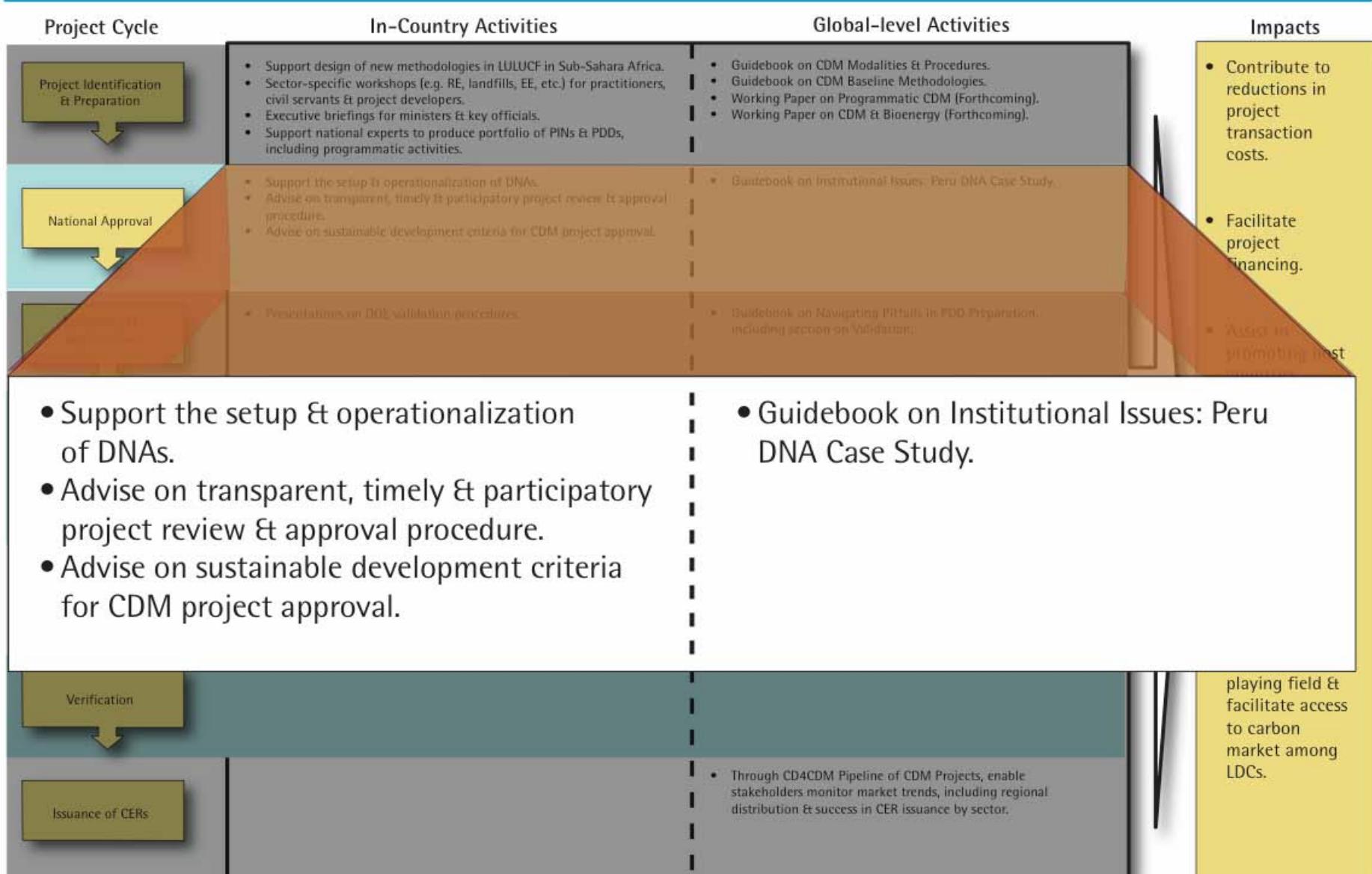
- CDM capacity building interventions by URC are identified based on a continuously on-going barriers analysis:
  - Monitoring global market.
  - Consultations with in-country stakeholders.
- Every intervention is designed to minimize a specific CDM-related barrier (both at country- & global-levels).
- Key objective:
  - Facilitate efficient & effective completion of CDM project cycle.
- Ingredients to achieve this objective:
  - A combination of targeted, hands-on workshops, guidebook materials, market analysis, research papers, participation in global carbon events by host countries, web sites design, etc.

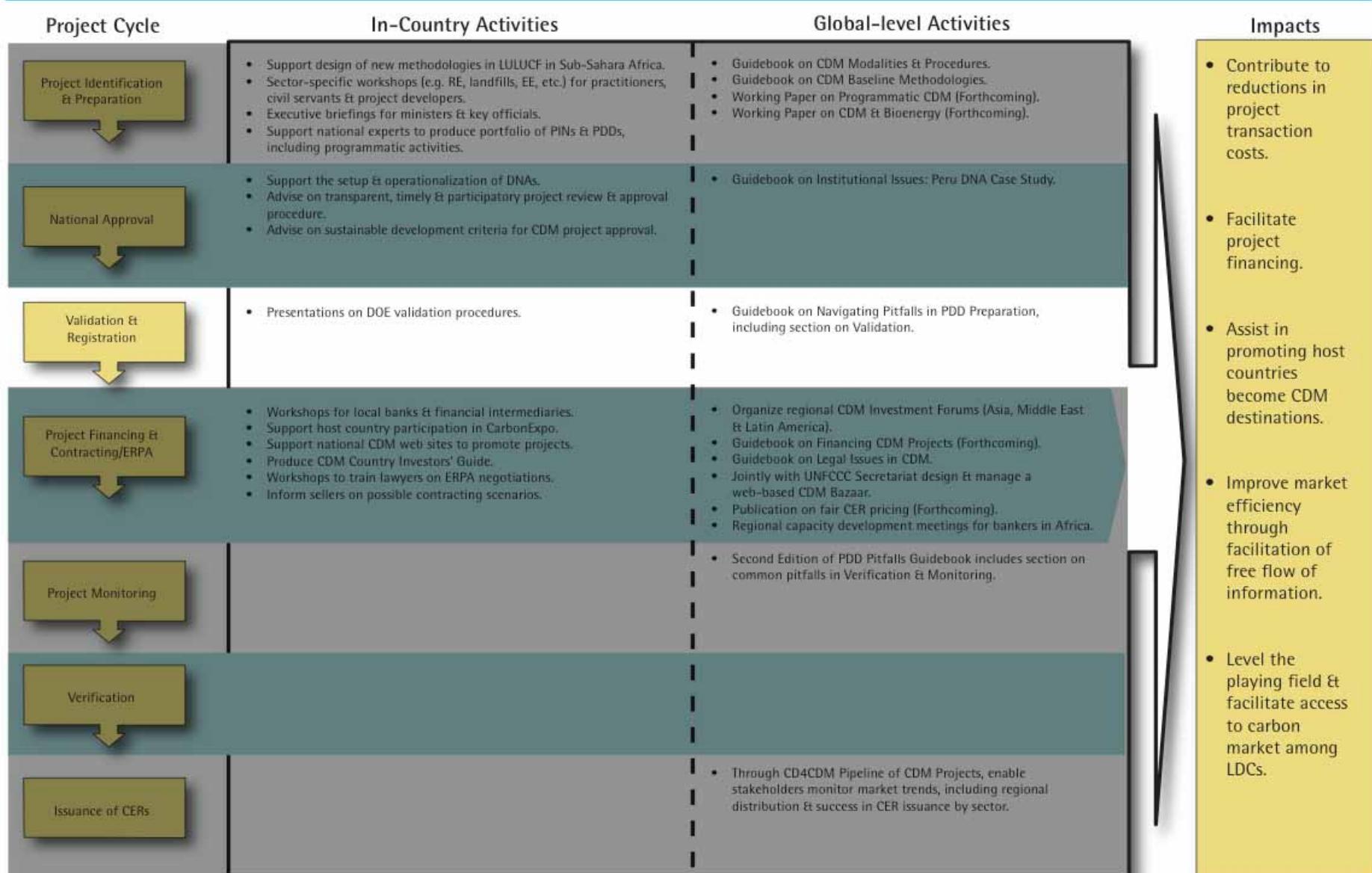


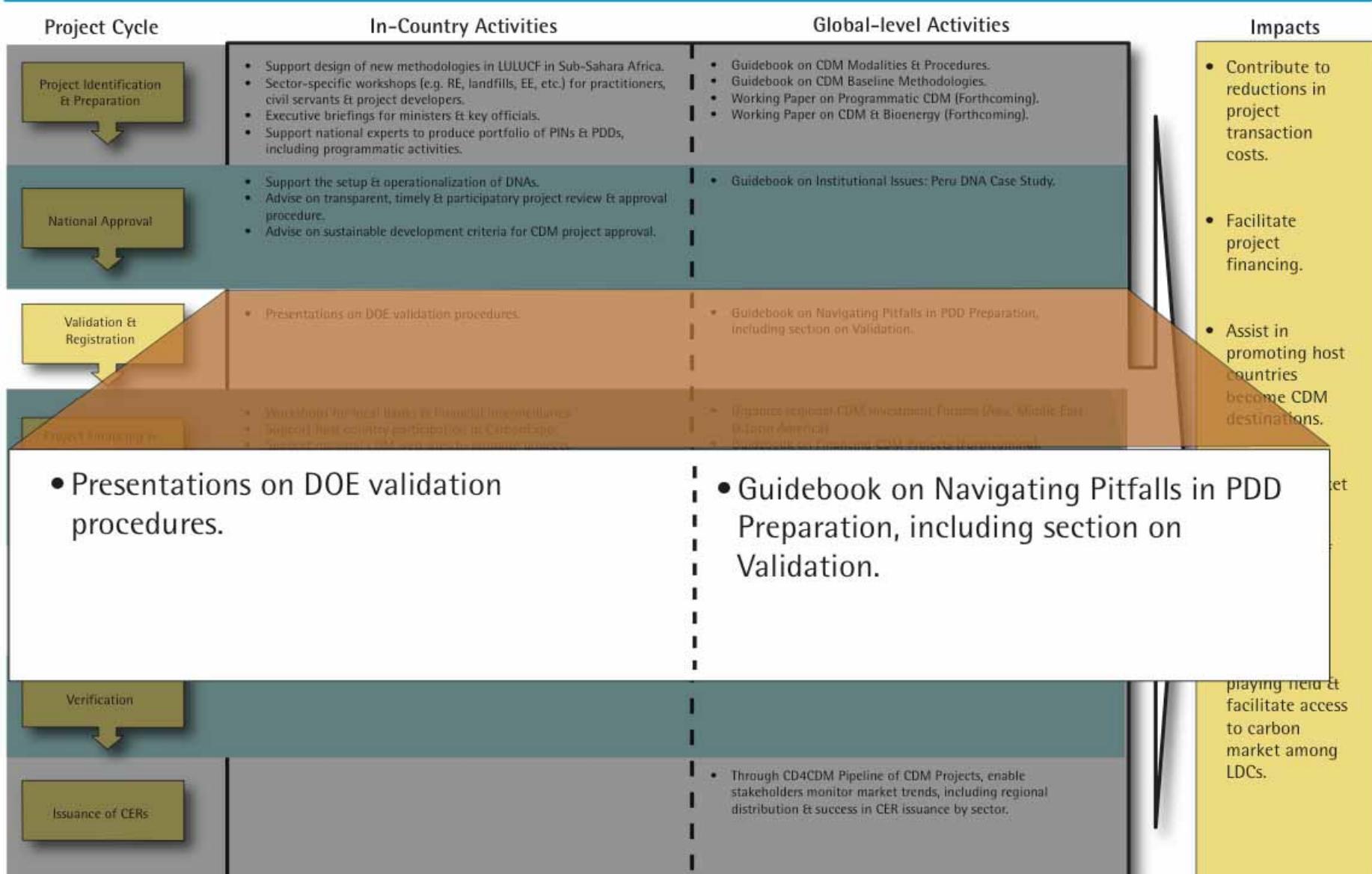


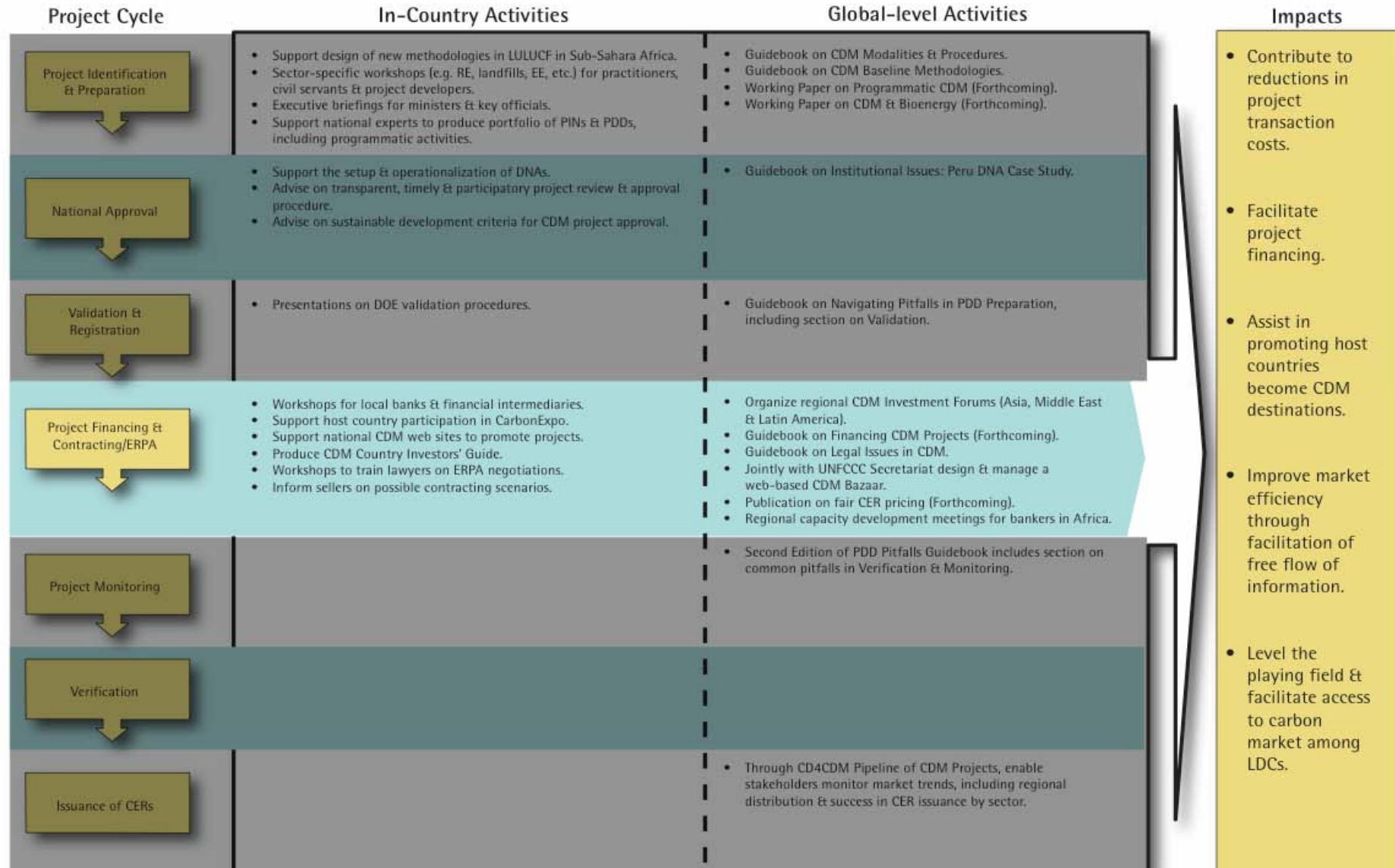






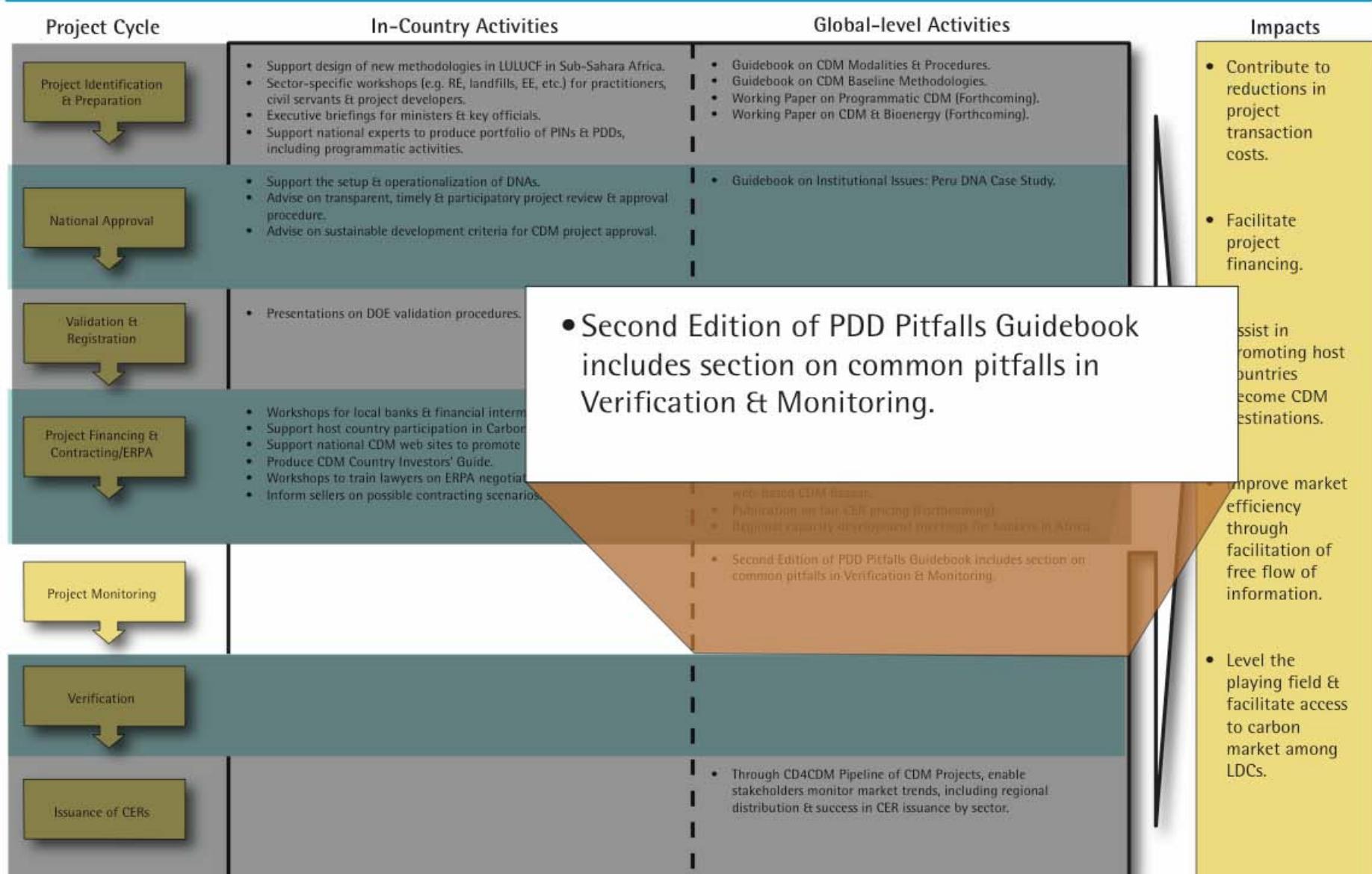


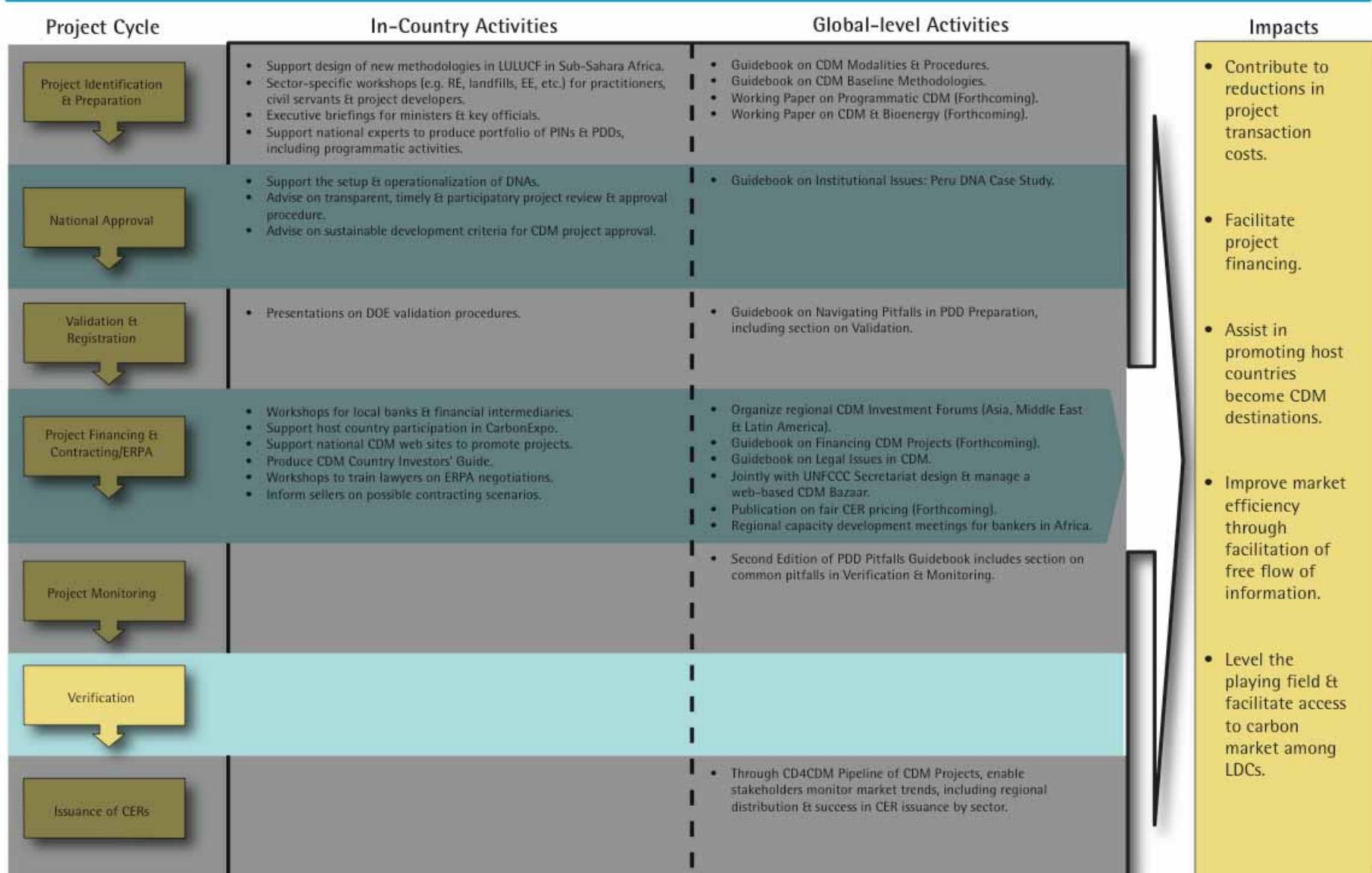


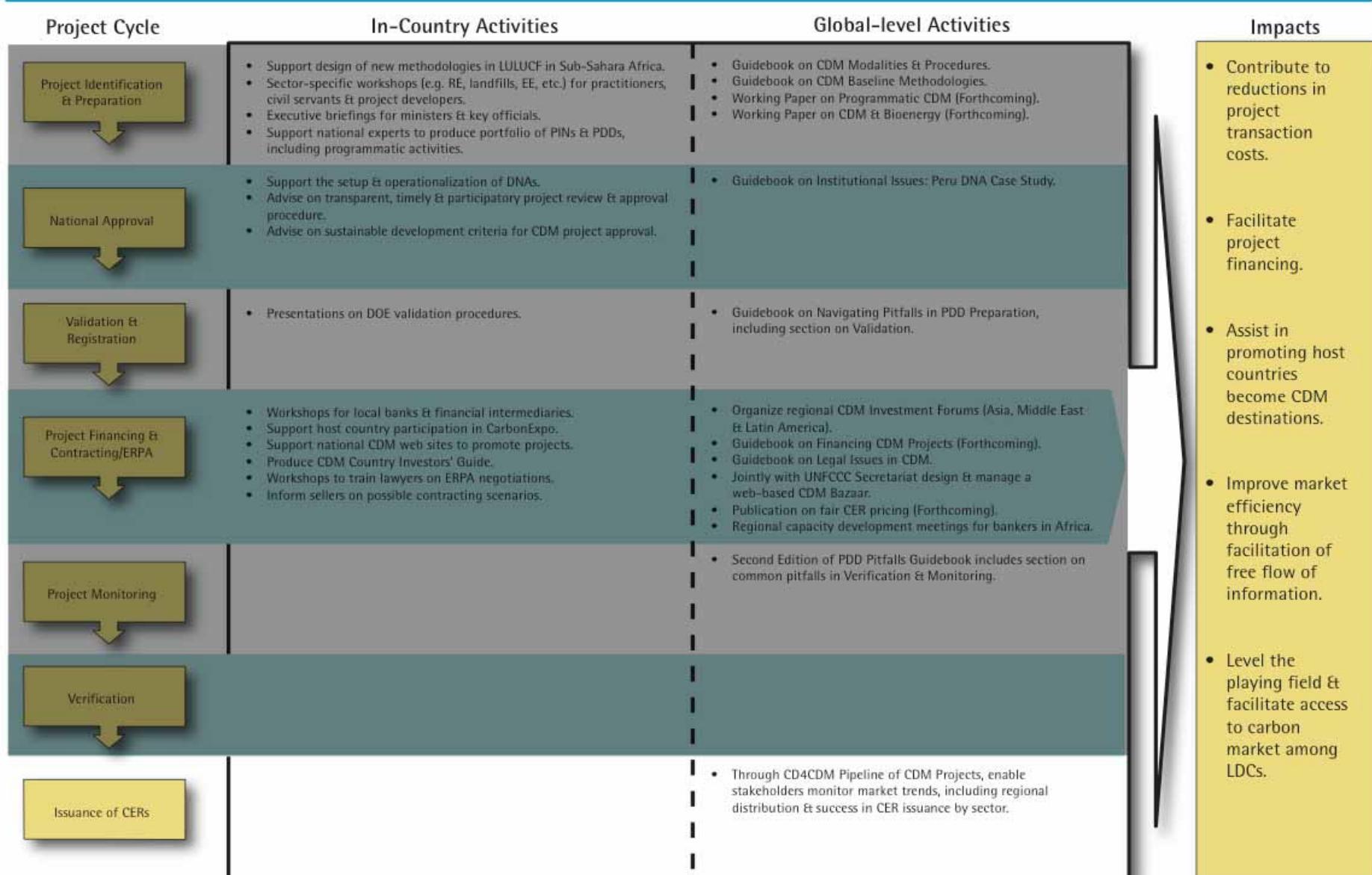


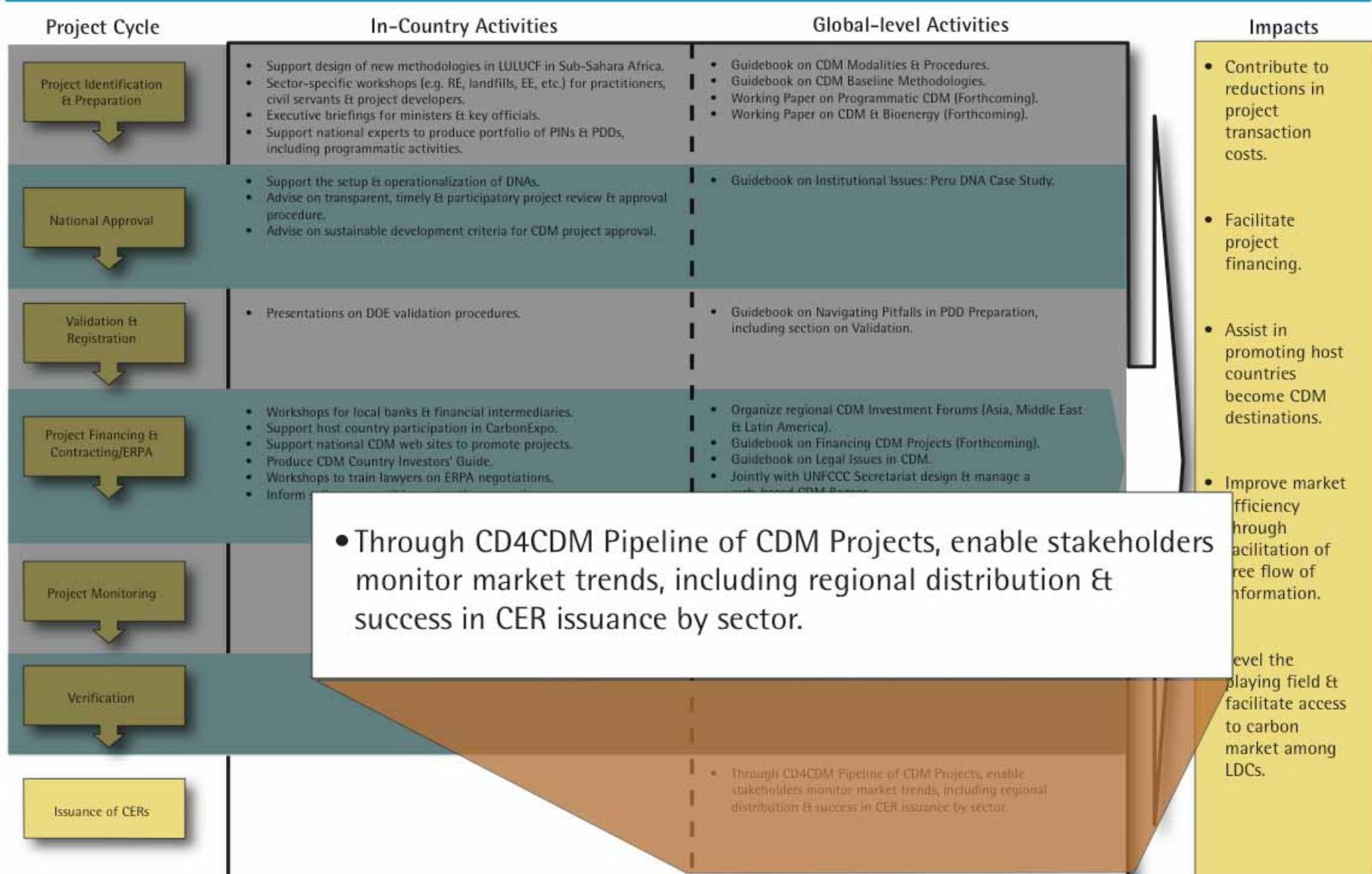
Project Cycle	In-Country Activities	Global-level Activities	Impacts
Project Identification & Preparation	<ul style="list-style-type: none"> <li>Support design of new methodologies in LULUCF in Sub-Saharan Africa.</li> <li>Sector-specific workshops (e.g. RE, landfills, EE, etc.) for practitioners, civil servants &amp; project developers.</li> <li>Executive briefings for ministers &amp; key officials.</li> <li>Support national experts to produce portfolio of PINs &amp; PDDs, including programmatic activities.</li> </ul>	<ul style="list-style-type: none"> <li>Guidebook on CDM Modalities &amp; Procedures.</li> <li>Guidebook on CDM Baseline Methodologies.</li> <li>Working Paper on Programmatic CDM (Forthcoming).</li> <li>Working Paper on CDM &amp; Bioenergy (Forthcoming).</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to reductions in project transaction costs.</li> </ul>
National Approval	<ul style="list-style-type: none"> <li>Support the setup &amp; operationalization of DNAs.</li> <li>Advise on transparent, timely &amp; participatory project review &amp; approval procedure.</li> <li>Advise on sustainable development criteria for CDM project approval.</li> </ul>	<ul style="list-style-type: none"> <li>Guidebook on Institutional Issues: Peru DNA Case Study.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate project financing.</li> </ul>
Validation & Registration	<ul style="list-style-type: none"> <li>Presentations on DOE validation procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Guidebook on Navigating Pitfalls in PDD Preparation, including section on Validation.</li> </ul>	<ul style="list-style-type: none"> <li>Assist in promoting host countries become CDM destinations.</li> </ul>
Project Financing & Contracting/ESIA	<ul style="list-style-type: none"> <li>Workshops for local banks &amp; financial intermediaries.</li> <li>Support host country participation in CarbonExpo.</li> <li>Support national CDM web sites to promote projects.</li> <li>Produce CDM Country Investors' Guide.</li> <li>Workshops to train lawyers on ERPA negotiations.</li> <li>Inform sellers on possible contracting scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>Organize regional CDM Investment Forums (Asia, Middle East &amp; Latin America).</li> <li>Guidebook on Financing CDM Projects (Forthcoming).</li> <li>Guidebook on Legal Issues in CDM.</li> <li>Jointly with UNFCCC Secretariat design &amp; manage a web-based CDM Bazaar.</li> </ul>	<ul style="list-style-type: none"> <li>Improve market efficiency.</li> </ul>
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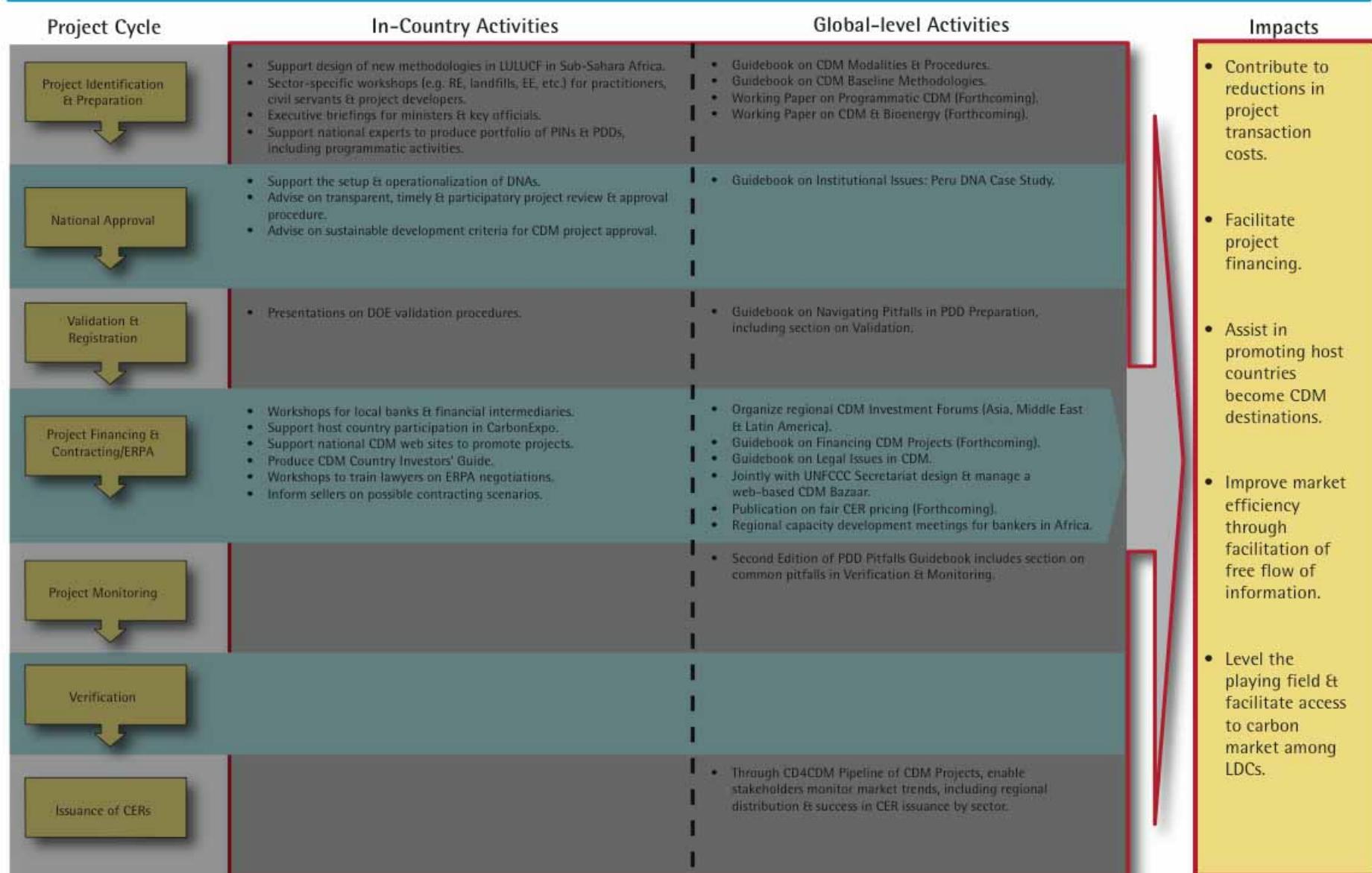












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Project Monitoring		<ul style="list-style-type: none"> <li>Second Edition of PDD Pitfalls Guidebook includes section on common pitfalls in Verification &amp; Monitoring.</li> </ul>	
Verification			
Issuance of CERs		<ul style="list-style-type: none"> <li>Through CD4CDM Pipeline of CDM Projects, enable stakeholders monitor market trends, including regional distribution &amp; success in CER issuance by sector.</li> </ul>	

# CB Success Indicators

- Key contribution is reduction in projects' transaction costs:
  - Number of days DNA will review & approve a CDM project.
  - Local consultants capable of preparing good quality PIN/PDD.
  - Local financial institutions have good understanding of CDM, possibly willing to provide underlying project financing.
  - Validation/Verification processes conducted in a timely manner.
  - Number of signed Emission Reduction Purchase Agreements (ERPAs).

# Lessons Learned

- CB Effectiveness: Ensure the right people receiving right training (job descriptions, institutional mandate).
- Appreciate differentiated CB needs among target groups (policymakers vs. consultants vs. bankers).
- Hands-on, small, sector-specific workshops most effective (e.g. landfill workshops, fuel-switching workshops, etc.).
- Priority in using local consultants, then regional, then international.
- Encourage national ownership of CB efforts & secure in-kind contribution.
- Design country-specific CB building work plans.
- In Africa, tackling the non-CDM barriers is paramount for success of CDM.
- CB support to Africa should aim at improving the Business Enabling Environment (BEE) in relation to CDM.

# Thank You

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