



# **UNEP's CDM Activities in Africa: An Overview**

**Implementing the Nairobi Framework  
A Mobilization Event**

**Bonn, May 14<sup>th</sup>, 2007**

# Contents

- CDM barriers.
- UNEP CDM technical assistance projects in Africa.
- UNEP's approach to CB in CDM.
- New African initiatives.
- Success indicators.
- UNEP value to carbon market.

# CDM Challenges

## ■ Non Africa-specific:

- Complex CDM Modalities & Procedures:
  - Transaction cost to hire service providers.
- Heavy institutional requirements for project cycle.
- Knowledge gap between ER buyers & sellers.

## ■ Africa-specific:

- Limited access to finance by potential developers.
- Financial intermediaries lack of knowledge about CDM.
- Lack of trained national CDM consultants.
- Investment climate.
- Limited budgets for operations of DNAs.
- Majority of potential in small projects, difficult to attract financing:
  - Lack of entities capable of bundling projects for the buyers.

# UNEP's CDM TA Activities in Africa

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. Several joint country activities with UNDP
2. **Using Carbon Finance for Sustainable Energy in Africa (CF-SEA) Project:**
  - U\$1 million, UNF-CDCF funded. Jointly implemented WB. Five SSA countries.
3. **Energy-Sector CDM Capacity Building:**
  - GTZ/BMZ funding. Five SSA francophone countries. Inception Sept. 2007.
4. **Francophone CDM Forestation Project:**
  - U\$3 million. French-funded. Inception March 2007. Seven SS African francophone countries. WB Bio carbon advising

# UNEP's Target Countries

(completed, on-going & forthcoming)

Latin America	SS Africa	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><li>■ Suriname</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></ul>	<ul style="list-style-type: none"><li>■ Cambodia</li><li>■ Bangladesh</li><li>■ Sri Lanka</li><li>■ Philippines</li><li>■ Vietnam</li></ul>

# Results in Africa

- Supported operationalization of DNAs in a number of countries:
  - Infrastructure support.
  - DNA CDM web site.
  - National CDM Investors' Guide.
  - Travel of DNAs to Carbonexpo.
- Funded preparation of pipeline of PINs/PDDs prepared by national consultants.
- Organized capacity building workshops targeting:
  - Policymakers.
  - National consultants, DNAs, potential developers.
  - Bankers and financial intermediaries.
  - Sectoral workshops (e.g. fuel-switching workshops, etc.)

# Capacity Building Strategy

- UNEP-RISOE's CDM CB interventions in Africa designed based on:
  - Continuous barriers analysis process.
  - Monitoring global market.
  - Consultations with in-country stakeholders.
- Key objectives:
  - Remove or minimize CDM-related barriers.
  - Facilitate efficient & effective completion of CDM project cycle.
- Ingredients to achieve objectives:
  - A combination of targeted, hands-on sectoral workshops, guidebook materials, market analysis & research, host country participation in global carbon events, & web-based tools.

# Upcoming Initiatives for Africa

- **UNEP-UNDP-World Bank collaboration under the Nairobi Framework:**
  - Share work plans, common use of tools and guidelines, utilize complementarities seek synergies & jointly implement activities.
- **UNDP-UNEP Partnership on Climate Change**
  - Regional CDM CB Project. Jointly implemented. Swedish-Spanish funding. Seven SSA countries. Inception Sept. 2007.
  - Regional CB for DNAs in collaboration with DNAs of Egypt and South Africa.
- **African Bankers' CDM Forum, Johannesburg, End of May. Build capacity of Anglophone African credit officers on CDM project appraisal, World Bank Partner:**
  - Similar event early 2008 for Francophone Bankers.

## Event Sponsors:



commissioned by



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Gutsche Programm

"Emissions trading can achieve not only a more cost-effective reduction in global emissions but a more just one, enabling significant flows of investment into developing countries ... [This market] could grow to between \$50 and \$100 billion."

— Rt. Hon. Gordon Brown

# African Bankers'

# Carbon Finance Investment Forum

May 28 – 30, 2007  
Johannesburg (Midrand)  
South Africa

## Event Coordinators:

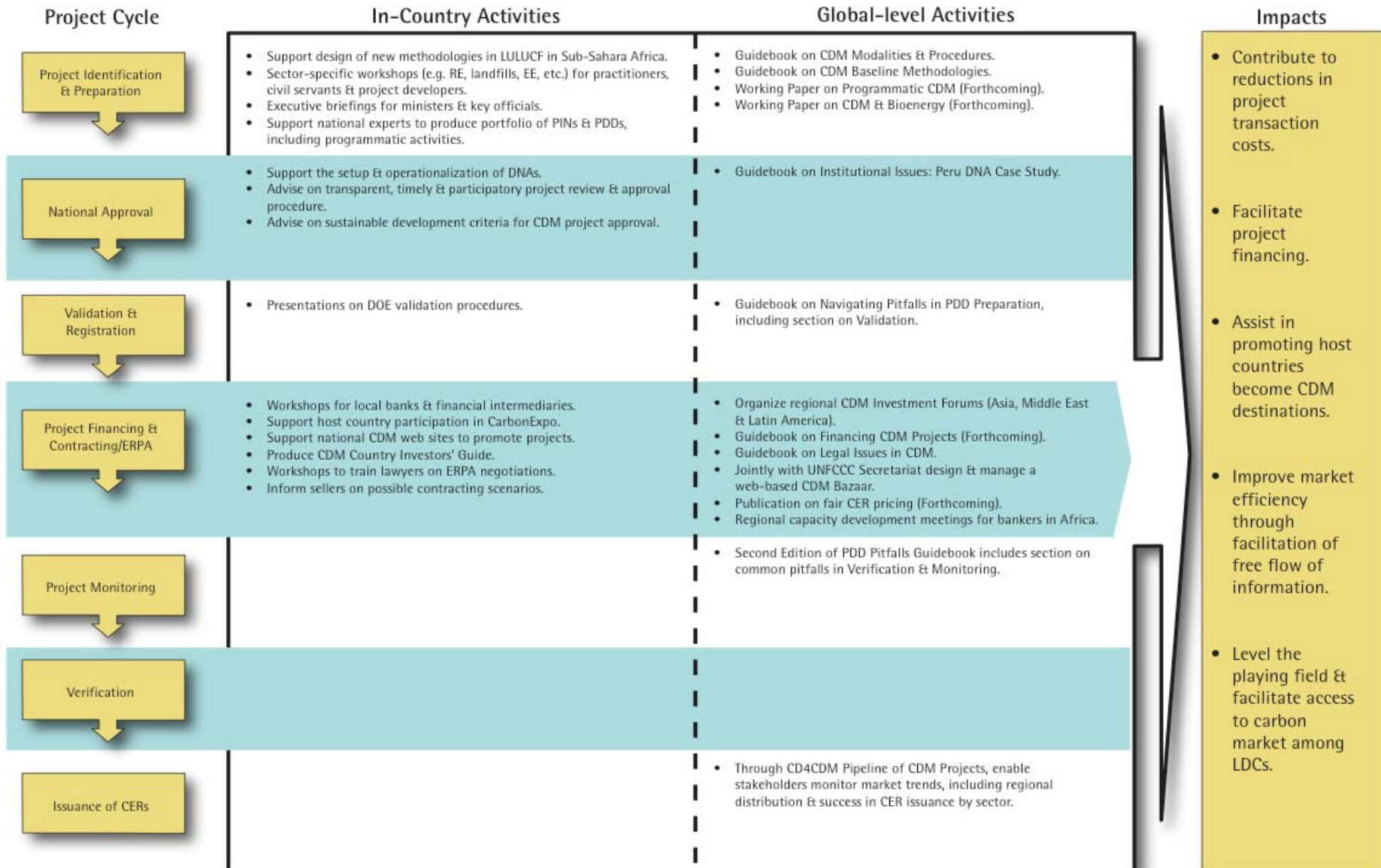
Glenn Hodes, UNEP Risoe Center

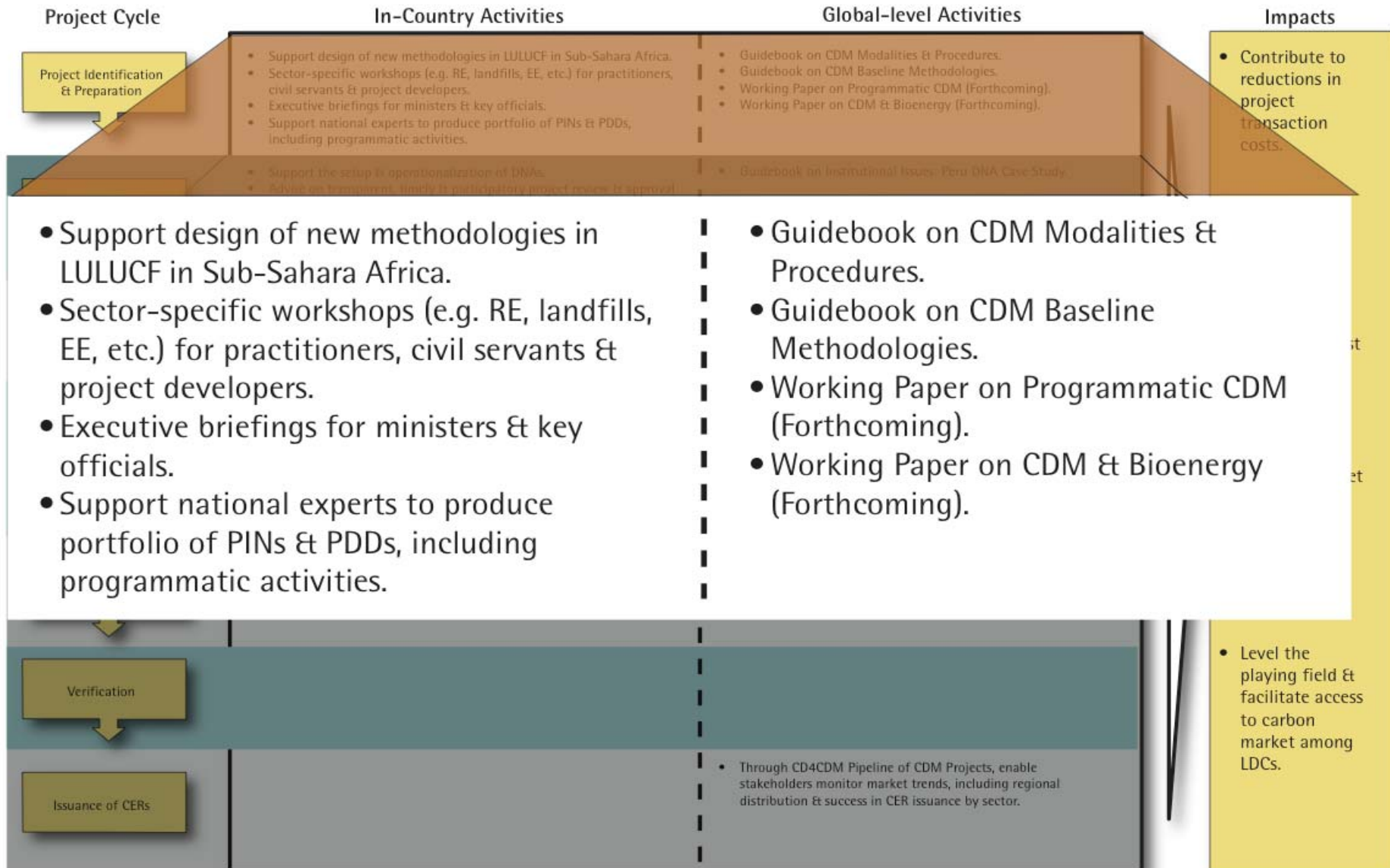
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## Event Organisers:







# CB Success Indicators

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

# UNEP's Value to Carbon Market

- Not a buyer. Not a seller:
  - Unbiased advisory services & research products:
    - Trusted by both buyers & sellers.
- In-country CDM CB activities in more than 25 countries:
  - Intimate knowledge of host countries' situation:
    - Access to valuable field information:
      - Institutional, financial & market barriers facing them.
- Ability to invest time & effort in activities unattractive to private sector:
  - Research products (CDM Pipeline database).
  - Operate & pave the way in high sovereignty risk countries.



Last updated: 13. Marts 2007

### CERs

This page contains information of the growth over time of the expected CERs, analysis of the CERs issued, issuance success, and buyers of projects.

- » Expected growth of 2012 CERs
- » Top countries by issued CERs
- » CDM projects with CERs issued
- » Buyers

### Content of CDM/JI Pipeline

- » Home
- » Overview
- » CDM projects by type
- » CDM projects by host region
- » CERs
- » Approved CDM methodologies
- » JI projects
- » DOEs/AIEs

### Contact

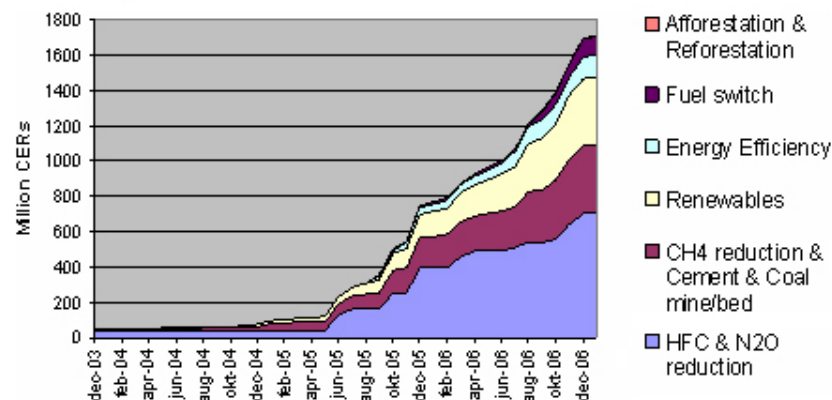
If you have comments or questions please contact:

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### Download

- » [CDM Pipeline spreadsheet](#)
- » [JI Pipeline spreadsheet](#)
- » [Guidance document](#)

### Growth of total expected accumulated 2012 CERs



This graph shows that the total number of CERs expected to be created before the end of 2012, since June 2005 has been growing linearly with about 1000 million per year.

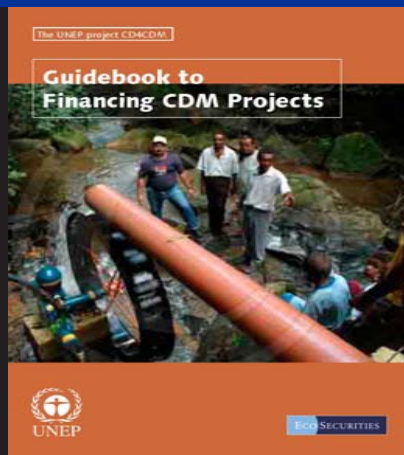
A graph on the overview page shows that until now the projects that entered the pipeline in 4th quarter of 2004 had the highest fraction (88%) of projects requesting registration.

# Thank You



For more information  
visit :

[www.cd4cdm.org](http://www.cd4cdm.org)



## What's a fair price for carbon?

Find out what these carbon market leaders think in the new CD4CDM Perspectives Series from the UNEP Risoe Centre.

