

CLEAN DEVELOPMENT MECHANISM

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Nairobi Framework Partnership 2013 Annual Report

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United Nations
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COVER NOTE

1. Procedural background

1. The Nairobi Framework Partnership (NFP) was initiated by the United Nations Secretary General at the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in 2006, with the goal of helping developing countries, especially those in sub-Saharan Africa, to improve their level of participation in the clean development mechanism (CDM).
2. The CMP welcomed the NFP, and has requested partners to provide support to Parties and stakeholders to enhance regional distribution of the CDM, including at its last session (CMP 9) in Warsaw, Poland.
3. The NFP, following the guidance given by the CMP and their own mandates, prioritizes support for least developed countries (LDCs), small island developing States (SIDS), and African countries, but it also addresses the needs of other countries and regions whose representation in the CDM pipeline is low, and which could benefit from the efforts under development.

2. Purpose

4. The purpose of this information note is to report on the activities completed by partner agencies and cooperating organizations of the NFP during 2013. It includes both the activities included in the 2013 work plan and activities that were additional.

3. Key issues and proposed solutions

5. The year 2013 presented the challenge of the low price of certified emissions reductions (CERs) in the carbon markets, which is not promoting the development of new CDM projects, a situation that continues into 2014.
6. NFP partners consider that the CDM continues to be the standard-setter for the carbon market mechanisms and that Parties should be encouraged to promote this mechanism through increased mitigation ambition, direct support to CDM project development, and clear support for the carbon markets in general.

4. Impacts

7. The NFP estimates that in-person capacity-building was provided to over 1,000 stakeholders worldwide during 2013, similarly to the previous year, without counting the participants in distance learning courses. An even greater number benefitted from additional initiatives, including direct support for project development.
8. Three proposed standardized baselines were submitted for approval by the CDM Executive Board, with several more under development. Numerous CDM project activities and programmes of activities (PoAs) have been submitted for registration, or are in the process, with support from the NFP and cooperating organizations.

9. The NFP supported the development of CDM projects worldwide, through capacity-building and experience sharing; direct support to project development; finance for project development; consultancy services for selected Parties and stakeholders; and other initiatives.

5. Proposed work and timelines

10. A work plan for the NFP in 2014 has already been developed by the partners and cooperating organizations through virtual coordination means. Implementation will cover the complete calendar year, according to the mandates and timelines of each of the partners, and in coordination where appropriate.

6. Budget and costs

11. The budget to cover the secretariat's role as coordinator in the NFP, as well as to implement secretariat-led initiatives, is included as core support activities in the CDM Management Plan for 2014.

7. Recommendations to the Board

12. The Board may wish to take note of the report, and thank the Nairobi Framework partner agencies and cooperating organizations for their efforts during 2013.
13. The Board may also wish to recommend to the CMP in its annual report to encourage Parties to support the CDM by implementing clear policies that will promote the development of new CDM projects and support the existing ones.

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1. Introduction

1. The Nairobi Framework Partnership (NFP) was initiated by the then Secretary General of the United Nations, Mr. Kofi Annan, at the second session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) in 2006, with the goal of helping developing countries, especially those located in sub-Saharan Africa, to improve their level of participation in the clean development mechanism (CDM).
2. Subsequently, the CMP welcomed the Nairobi Framework and has since encouraged Parties and NFP partners and cooperating organizations to undertake a number of actions in the area of regional distribution, including at its latest session in November 2013, in Warsaw, Poland.
3. The Framework is composed of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), including the UNEP Risoe Centre (URC), the World Bank Group (WB), the African Development Bank (AfDB), the secretariat of the United Nations Framework Convention on Climate Change (the secretariat), the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Institute for Training and Research (UNITAR).
4. The NFP has also benefited from the cooperation of other international organizations that share its goals, including the International Emissions Trading Association (IETA), the Asian Development Bank (ADB), the Inter-American Development Bank (IADB), and the Institute for Global Environmental Strategies (IGES).
5. The secretariat coordinates the planning of activities of the NFP as one of its core support activities.

2. Goals of the Nairobi Framework Partnership

6. The main objective of the NFP is to promote the enhancement of the regional distribution of the CDM.
7. The NFP, following the guidance given by the CMP, prioritizes support for least developed countries (LDCs), small island developing States (SIDS), and sub-Saharan African countries, but it also tries to address the needs of other countries and regions whose representation in the CDM pipeline is low or non-existent.
8. To achieve this objective, the partner organizations defined five specific objectives:
 - (a) Build and enhance capacity of designated national authorities (DNAs) to become fully operational;
 - (b) Build capacity in developing CDM project activities;
 - (c) Promote investment opportunities for project activities;
 - (d) Improve information sharing/outreach/exchange of views on activities/education and training;
 - (e) Inter-agency coordination, led by the secretariat.

9. Under the general coordination of the secretariat, partners and cooperating organizations have undertaken a series of initiatives, each according to their own mandates, in order to achieve the above-mentioned goals.
10. At the beginning of 2013, partners and cooperating organizations held a virtual coordination meeting to define the activities that the NFP would implement during the year, to avoid duplication and to harvest synergies, while trying to respond to the identified needs and the feedback obtained from stakeholders.

3. Activities completed in 2013

11. The partners of the NFP faced a challenging situation in 2013, which will continue in the near future, namely the low price of certified emission reductions (CERs) in the carbon markets.
12. Efforts to enhance participation of under-represented countries in the CDM will be more difficult if the price continues to disincentivize CDM project development. This situation is out of the control of the NFP partners, who will continue to support climate change mitigation efforts worldwide while advocating for higher ambition, market certainty, and continued support for the CDM and the carbon markets in general from Parties.
13. A summary of the main activities developed during 2013 is presented below. A comprehensive table with the activities completed can be found in the appendix.

3.1. Global activities

14. At the global level, the NFP focused on capacity-building during the year. Activities included in-person events for training on CDM-related topics, such as the courses led by UNEP Risoe, or more generic events which touched on the CDM, organized by several partners.
15. Distance learning also played an important role during the period, with the World Bank, the IADB, and UNDP taking the lead. The secretariat also developed an online learning course on the application of the guidelines for automatic additionality of microscale project activities, aimed at DNAs and designated operational entities (DOEs).
16. At a global level, the secretariat and the URC continued implementation of the CDM Bazaar, a web platform that facilitates match-making among CDM experts and project developers, and provides updated information on the CDM. Regular newsletters with relevant and latest developments were generated three times in the course of the year and distributed to users and the general public.
17. The World Bank again delivered the online course “Clean Development Mechanism & Joint Implementation: Navigating the Kyoto Project-Based Mechanisms”, open to participants worldwide, but with a special focus on Africa.
18. On the financial side, the CDM Loan Scheme continued implementation by the United Nations Office for Project Services (UNOPS) in collaboration with UNEP Risoe Centre (URC), and approved a total of 18 loans in 2013. Three projects were registered with support from the scheme, while others are undergoing validation and verification. Implementation will continue in 2014.

19. The CDM and DNA Help Desks continued to support project developers, DNAs, and DOEs under the auspices of the secretariat. From 2014, these initiatives will be developed in close coordination with the regional collaboration centres (RCCs), and will be renamed “off-site support”.
20. Reports were produced by partners, providing analysis and statistics through the CDM and PoA Pipelines of URC and a standardized baselines guidance note to be released by UNDP.

3.2. Africa

21. The African continent saw a wealth of capacity-building activities during the year, as well as significant support for project development.
22. The Africa Carbon Forum was held for the fifth time, returning this year to a francophone country, Côte d’Ivoire. With important support from the host country, the event saw hundreds of participants meet to discuss the evolving carbon markets and their continued challenges and opportunities.
23. UNDP and the secretariat cooperated to deliver a training event on standardized baselines and PoAs to DNAs and coordinating and managing entities (CMEs) of the region. The three-day event was held back-to-back with the Africa Carbon Forum.
24. Additional capacity-building was delivered in CDM-related areas, such as agriculture, by other NFP partners.
25. Direct project support was the other main theme for 2013. The secretariat’s RCCs in Lome and Kampala supported project developers and DNAs in moving projects forward.
26. The RCCs, the secretariat in Bonn, UNDP and UNEP Risoe coordinated work in the development of several PoAs and two proposed standardized baselines.

3.3. Latin America and the Caribbean

27. In Latin America and the Caribbean, efforts were centred on capacity-building. Foremost, the Latin America and Caribbean Carbon Forum (LACCF) was organized in Rio de Janeiro, Brazil, with the partners intending to hold another edition in 2014.
28. National workshops and online learning resources completed the offer for capacity-building in the region, led by IADB and UNEP Risoe.
29. Direct project support was given by the secretariat’s two RCCs in Bogota, Colombia and St. George’s, Grenada. The RCCs have supported both project developers and DNAs.
30. UNEP Risoe supported the government of Belize for the development of a grid emission factor that has been submitted as a proposed standardized baseline.

3.4. Asia and the Pacific

31. As in previous years, ADB, IGES, and the secretariat, in cooperation with UNDP, organized the Workshop on Enhancing the Regional Distribution of CDM Projects in Asia and the Pacific. This was the fourth workshop of its kind. Around 100 participants attended a very interactive event focused on experience exchange.

32. Back to back with the previous event, the secretariat and UNDP delivered a regional training event on standardized baselines and PoAs for DNAs and CMEs, which was also supported and hosted by ADB.
33. ADB was very active in capacity-building, especially through in-person workshops related to the CDM and emerging trading schemes, but also through some online learning resources.
34. ADB also continued the support that it has been giving to the development of CDM project activities and PoAs in the region.
35. These efforts have been joined by UNDP, which is developing PoAs in the region, including one in Timor Leste, and a standardized baseline in the Philippines.
36. IGES also contributed to capacity-building, and developed a proposed standardized baseline for the rice mill sector in Cambodia.

4. Summary

37. During 2013, NFP partners focused their efforts mainly in capacity-building for a range of stakeholders, and support for project development.
38. Capacity-building covered DNAs, CMEs of PoAs, project developers and other stakeholders, through in-person workshops and events. Distance learning through webinars and e-courses also had a high profile during this period.
39. Project development support was led by the secretariat's RCCs, but also had important contributions from partners in each region including ADB, IGES, UNDP, and UNEP Risoe. PoAs and standardized baselines were the preferred areas of support.
40. Financial assistance continued to be provided by the CDM Loan Scheme, which approved an additional 18 loans in the year. The ACAD Facility of the UNEP Risoe Centre also continues to support selected projects in Africa.

5. Next steps

41. The Nairobi Framework partners have already prepared the work plan for 2014, through virtual coordination means, early in the year.
42. Feedback received from stakeholders during the various interactions in 2013 has been taken into account for planning purposes, as well as the experience gained to date through the implementation of previous work plans.
43. Partners plan to develop a series of knowledge products during 2014, to document the experience gained to date in several areas.
44. The secretariat will report regularly to the CDM Executive Board (the Board) on the implementation of activities where the secretariat is directly involved, and will prepare a final annual report on overall activities of the NFP which will be made available to the Board and the CMP.

45. The secretariat will also maintain close communication with partners and cooperating organizations during the year to promote the harnessing of opportunities for cooperation among the organizations.
46. Partners continue to be convinced that the work implemented by the NFP is key to enhancing the participation of target countries in the CDM and for the promotion of the carbon markets as effective tools that contribute to climate change mitigation.

Appendix. Activities implemented by the Nairobi Framework Partnership in 2013

1. The tables below provide an overview of the activities that were planned and implemented by the Nairobi Framework partners and cooperating organizations during 2013.
2. The tables include activities that were part of the original 2013 work plan and also initiatives that were designed and implemented in addition.

Table 1. Global activities by NFP delivered during 2013

Activity	Partner(s)	Brief summary
Finance		
CDM Loan Scheme	UNFCCC, UNOPS, UNEP Risoe	Providing loans for projects located in countries with fewer than 10 registered CDM project activities. The scheme approved 18 new loans in 2013. Three projects were registered with support from the scheme, while others are undergoing validation and verification
Reports and analysis		
CDM Bazaar operation and newsletters	UNFCCC, UNEP Risoe	The Bazaar continued to provide a contact point between CDM stakeholders, as well as information, news and updates through quarterly newsletters for subscribers and through Climate-L listing.
CDM and PoA Pipelines	UNEP Risoe, UNFCCC	Increasing information + new indicators for regional CDM distribution
Central web-based platform for coordination and information sharing	UNFCCC	The initiative was not implemented, as it was decided that an additional platform is not necessary. UNCC:Learn will serve as a central repository of capacity-building resources from 2014.
Capacity-building		
Carbon Expo	IETA, IADB	Organized by IETA, IADB presented the Carbon FinancePlatform, demo and outreach and launch of the new Community of Practice on Voluntary Carbon Markets (VCM) .
SB guidance note	UNDP	Under preparation, in coordination with the secretariat
National Green Economy Reviews	UNCTAD	The activity is ongoing.

Activity	Partner(s)	Brief summary
Webinar Series on PoAs, MRV, and linkage with NAMAs	UNDP	Jointly with World Bank Institute, two have been delivered, three upcoming
Development and delivery of e-Course under Climate Smart Agriculture Program: "Sustainable Agricultural Land Management Projects: Soil Carbon Monitoring"	WB	"Sustainable Agricultural Land Management Projects: Soil Carbon Monitoring" presents how soil carbon is monitored and accounted for in an agricultural land management project. Course development was done in August 2013, and the pilot course has reached over 350 people.
Development and delivery of e-Course under Climate Smart Agriculture Program: "Carbon Monitoring in CDM Afforestation and Reforestation Projects"	WB	"Carbon Monitoring of CDM A/R Projects" knowledge and skills in monitoring forest carbon stocks, emissions and leakage for A/R CDM projects – two deliveries in 2013 and reached over 300 people.
E-course on the guidelines for automatic additionality of microscale project activities	UNFCCC	Aimed at DNAs and DOEs
e-courses on CDM Basics and PoA	WB	The World Bank continued with the delivery of a multiplicity of e-courses, both self-paced and led, for capacity-building in CDM-related themes.
Twente University CDM course	UNEP Risoe	CDM developer course at Twente University
Danida Fellowship Course	UNEP Risoe	CDM developer course in Copenhagen
Project Development		
CDM and DNA Help Desks	UNFCCC	Renamed as "off-site support" for project development, the Help Desks supported project developers, DOEs, and DNAs with technical questions and requests for technical support. These were related to standardized baselines and CDM project activities and PoA development.

Table 2. Activities by NFP delivered during 2013 in Africa

Activity	Partner(s)	Brief summary
Capacity-building		
Training on standardized baselines and PoAs for DNAs and CMEs	UNFCCC, UNDP	Jointly with the secretariat
Africa Carbon Forum	UNFCCC, UNDP, UNEP Risoe, WB, IETA, AfDB, UNCTAD, Government of Côte d'Ivoire	Fifth edition of the Africa Carbon Forum in Abidjan, Côte d'Ivoire
Agricultural training activities for Malawi National Program for Managing Climate Change	WB	In support of Malawi national program, two face-to-face training programmes were delivered: 1) Training Of Trainers (TOT) on Sustainable Land-Water Management. 2) Sustainable Agricultural Land Management Projects: Soil Carbon Accounting and Monitoring. During the workshop, participants contributed ideas to the first agricultural carbon Project Idea Note (PIN).
Online delivery of e-Courses: (1) Clean Development Mechanism & Joint Implementation: Navigating the Kyoto Project-Based Mechanisms; and (2) CDM Program of Activities: Challenges and Opportunities	WB	Both, the CDM/JI and PoA e-courses, were delivered in facilitated format in spring 2013, reaching a total of 42 participants (17 for CDM/JI and 25 for PoA, respectively). As of July 2013, both courses are not offered anymore in facilitated format anymore; however, they are still available online in self-paced format, allowing anyone who is interest to access and take them.
Final national CDM CB workshop Botswana	UNEP Risoe	Closing session of the ACP-MEAs project in the country
Final national CDM CB workshop Malawi	UNEP Risoe	Closing session of the ACP-MEAs project in the country
Sub-Saharan Bioenergy Development Platform	UNCTAD	Ongoing initiative.
Project Development		
Standardised baselines workshop and finalisation of project in Cote d'Ivoire	UNEP Risoe	Closing of project in the country
Regional Collaboration Centres (Lome, Togo and Kampala, Uganda)	UNFCCC	The first two regional collaboration centres (RCCs) established by the secretariat have been supporting DNAs and project developers in the region with direct technical project support and policy advice.

Activity	Partner(s)	Brief summary
Support for projects to participate in CDM	AfDB	Projects in several countries and sectors have received support from the AfDB
Standardized baseline assessment for rural off-grid electrification	UNDP	Ongoing activity in several sub-Saharan countries
PoA development support in 3 countries	UNDP	Three PoAs (Burkina Faso/Benin/Cameroon, DRC, Cameroon) are at validation or about to start validation (DRC)
Standardized baseline development	UNDP	SB for rural electrification (Gambia) under development
GEF for Sao Tome and Principe as standardized baseline	UNEP Risoe	The proposed SB has been submitted for approval by the CDM Executive Board. It is in the process of assessment.

Table 3. Activities by NFP delivered during 2013 in Latin America and the Caribbean

Activity	Partner(s)	Brief summary
Capacity-building		
Latin America and Caribbean Carbon Forum	WB, UNDP, UNEP Risoe, IETA, OLADE, CAF	Ninth edition of the Forum, in Rio de Janeiro, Brazil
Workshops on CDM in the framework of the ACP-MEAs project	UNEP Risoe	National workshops were held in Caribbean countries to support CDM project development and capacity-building
FinanzasCarbono.org web portal	IADB with UNEP, UNEP Risoe, UNDP, WB and others	The portal is operational and has been expanded and updated
Communities of Practice	IADB	The CoPs have been developed under the Finanzas Carbono web portal, and are being promoted
Webinars	IADB	IADB delivered a series of webinars related to climate change mitigation, including one with the participation of the UNFCCC's Executive Secretary.
Project Development		
Regional Collaboration Centres (Bogota, Colombia and St. Georges, Grenada)	UNFCCC	The two regional collaboration centres (RCCs) established by the secretariat, they have been supporting DNAs and project developers in the region with direct technical project support and policy advice.

Activity	Partner(s)	Brief summary
Development of grid emission factor as standardized baseline for Belize	UNEP Risoe	The proposed SB has been submitted for approval by the CDM Executive Board. It is in the process of assessment.

Table 4. Activities by NFP delivered during 2013 in Asia and the Pacific

Activity	Partner(s)	Brief summary
Reports and analysis		
Publication	ADB	Financing Low Carbon Urban Development in South Asia - A post 2012 context
Publication	ADB	Supporting the Pacific developing member countries in Financing their Climate Change Response
Publication	ADB	The Clean Development Mechanism - A Field Guide for Transport Projects'
Capacity-building		
Regional Distribution Workshop for Asia and the Pacific	ADB, IGES, UNFCCC, UNDP	Organized the fourth regional distribution workshop at Manila in collaboration with UNFCCC, IGES and UNDP
Regional CDM Workshop for Asia and the Pacific (DNA/CME Training)	UNFCCC, UNDP, ADB	The secretariat led a capacity-building and experience sharing workshop on the CDM for DNA and CME representatives, in collaboration with UNDP, and with support from ADB
Workshop on Building Capacity for Integrating Gender in Climate Change and Carbon Projects	ADB	Contributed to the organization of the event.
Capacity Development for DNA Maldives	ADB	Further to the Capacity development workshop for DNA Maldives and other government departments, continued discussions and guidance for development of CDM and PoA projects for potential activities.
Capacity Development for linking domestic emission trading schemes	ADB	Trained developing member countries in linking of domestic emission trading schemes during side event of Carbon Forum Asia 2013 in Bangkok
Distance learning for DNAs	ADB	Organized a remote training course during the fifteenth meeting of the CDM Designated National Authorities Forum in Warsaw in November 2013.

Activity	Partner(s)	Brief summary
Workshop on regional emission trading schemes and linking	ADB	ADB held a second workshop on Regional ETS Linkage with a focus on domestic ETS linkage between pilot ETSSs. The workshop was attended by more than 60 participants including national and local officials and technical experts from China, Thailand and Viet Nam; and representatives from the private sector.
Project Development		
Institutional capacity-building for Myanmar	IGES	The capacity-building is ongoing.
Project Assistance in Bangladesh	ADB	Assistance to Bangladesh DNA for development of Solid Waste Management PoA and preparation of CDM documents. The DOE has been appointed and the project validation will start soon.
Project Assistance in Nepal	ADB	Technical assistance to Nepal PoA of Improved Water Mill Project. Validation completed and PoA project will be submitted for registration in early 2014.
Project Assistance in Pakistan	ADB	Registration of National CFL project of Pakistan as PoA project. Validation for 55 CPAs in addition is completed and shortly the request for the 55 CPAs in addition will be submitted through the project DOE.
Project Assistance in Bhutan	ADB	Assisted in post-registration changes in registered project of Dagachhu Hydro Power Project (project 2746). Further assistance in monitoring will be provided by ADB if required by the project proponent.
Project Assistance in Papua New Guinea	ADB	Assisted in the validation process of CPA addition to PNG PoA (project 8383). Further assistance to monitoring of the CPAs will be provided by ADB if required by project proponent.
Project Assistance in Cambodia	ADB	Assisted project in Cambodia on in review of the registered project in light of the likely changes (project 0363). Further assistance in monitoring will be provided if required by the project proponent.
Project Assistance in Vietnam	ADB	Assistance to registration of Viet Nam National Biogas Program PoA and planning for obtaining carbon finance. Design of new CPAs was also discussed. Next steps in the projects will be discussed by ADB.

Activity	Partner(s)	Brief summary
Project Assistance in Philippines	ADB	Assistance to issuance for CERs for 'Bataan 2020 12.5 MW Power Rice Hull Cogeneration Project' (project 3424)
Project Assistance in Philippines	ADB	Assistance with validation of Philippine E trike PoA. Conduct of baseline survey, methodological improvement. Next step will be to assist in conclusion of the validation, CPA addition and monitoring.
Proposal for standardized baseline development in the Solomon Islands	ADB	Produced road map for standardized baseline for cooking in Solomon Islands. Further assistance will be provided to the DNA if required by the project proponent if resources are available.
PoA support in two countries	UNDP	Two PoAs (Indonesia/Timor-Leste, Vanuatu) are at validation or about to start validation (Indonesia/Timor-Leste).
SB development in the Philippines	UNDP	SB for rice cultivation (Philippines) under DOE assessment.
Developing Standardised baseline in Cambodia	IGES	Standardised baseline on Cambodia's rice mill sector has been developed in cooperation with the government of Cambodia. The SB was approved by the CDM EB in December 2013.
Developing Standardised baseline in Lao PDR	IGES	Development of SB for Lao PDR has been suspended due to technical challenges.

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