



**United Nations Framework Convention on Climate
Change (UNFCCC)
Twelfth Conference of Parties (COP12) – Second Meeting
of Parties (MOP2)**

Climate Change Kiosk

Making the CDM work for & in Africa

Mike Bess
Nairobi, Kenya
13th November 2006

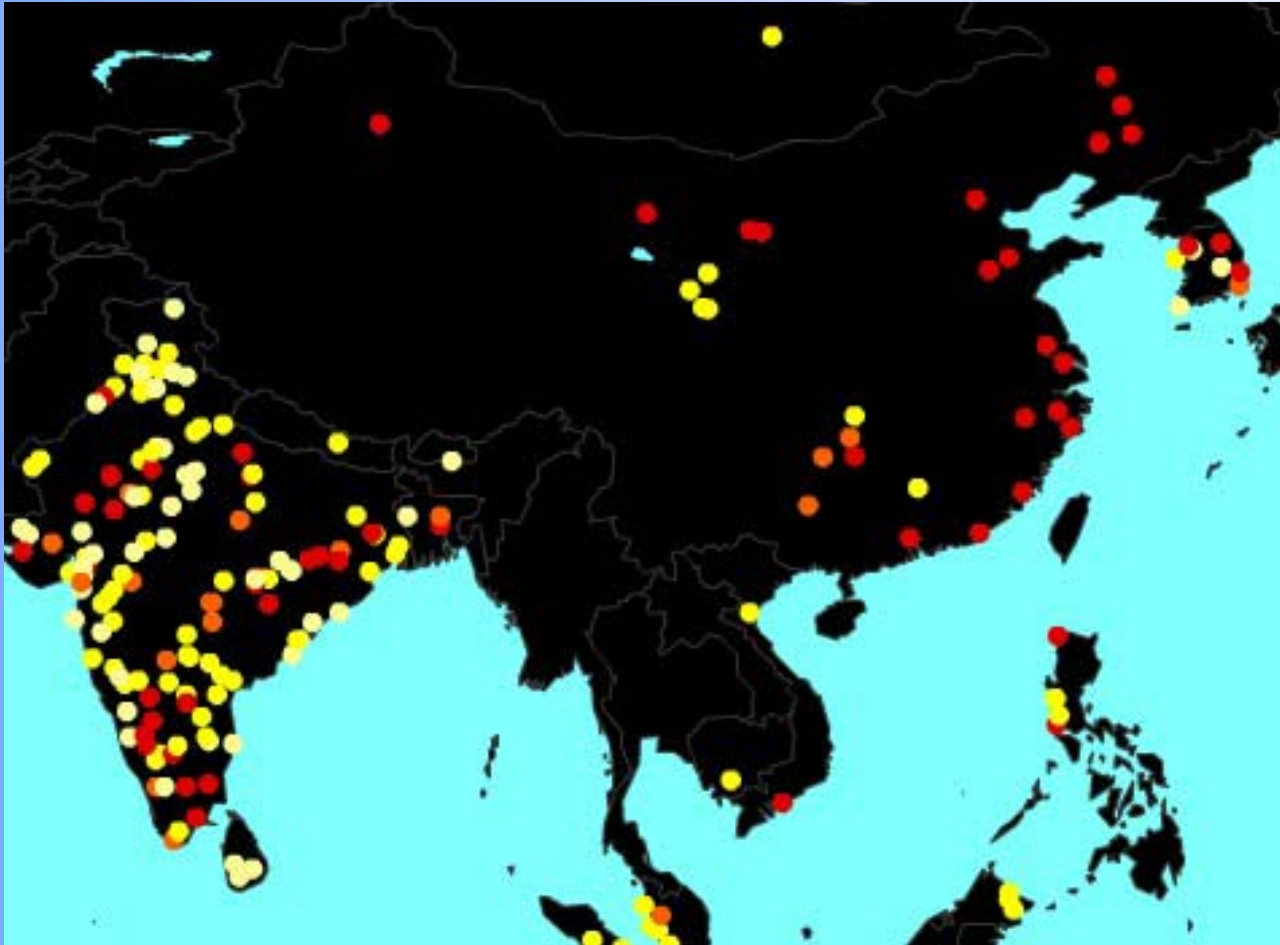




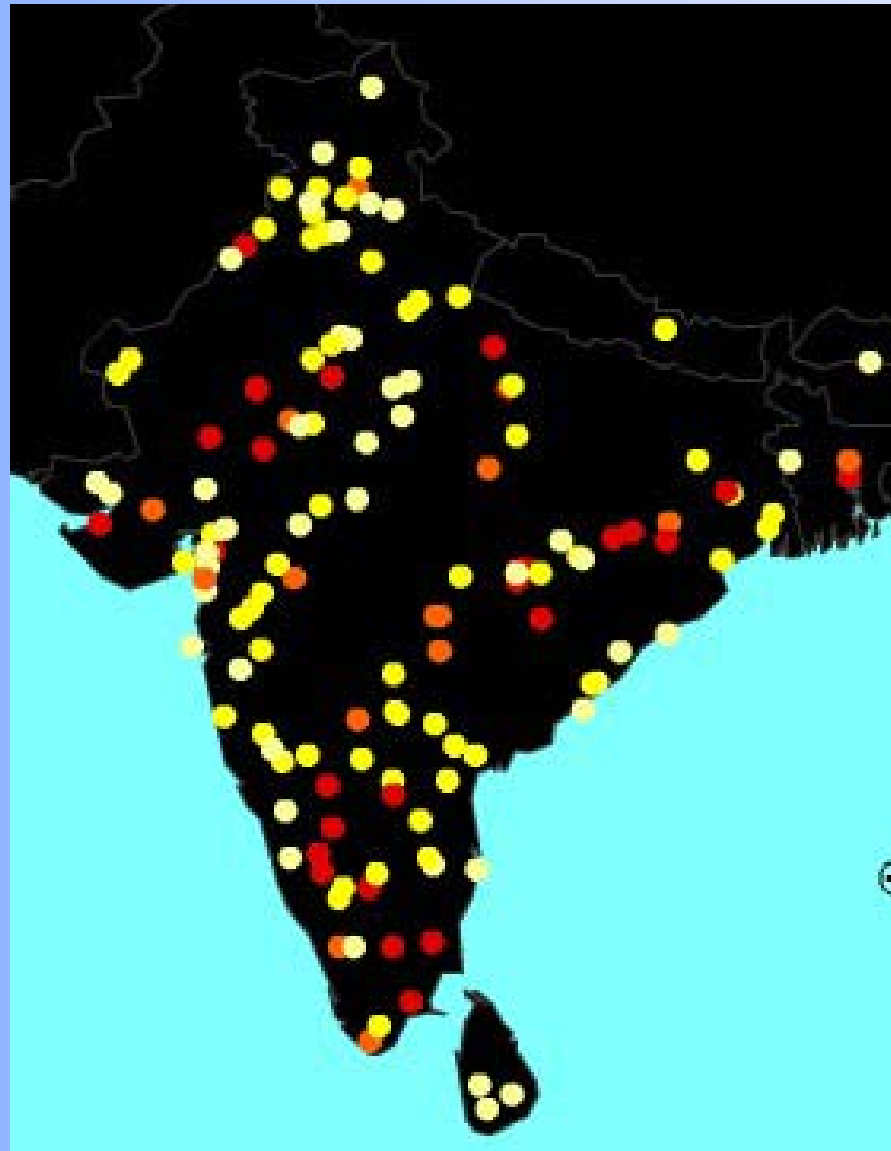
Summary

- **Where the CDM is working**
- **Where the CDM is not working**
- **Why the CDM is not working for Africa**
- **Why is the CDM important to Africa**
- **What it takes to make the CDM to work in Africa**
- **Who should do what to make the CDM work in Africa**

Where the CDM is working (1)



Where the CDM is working (2)



Where the CDM is working (3)



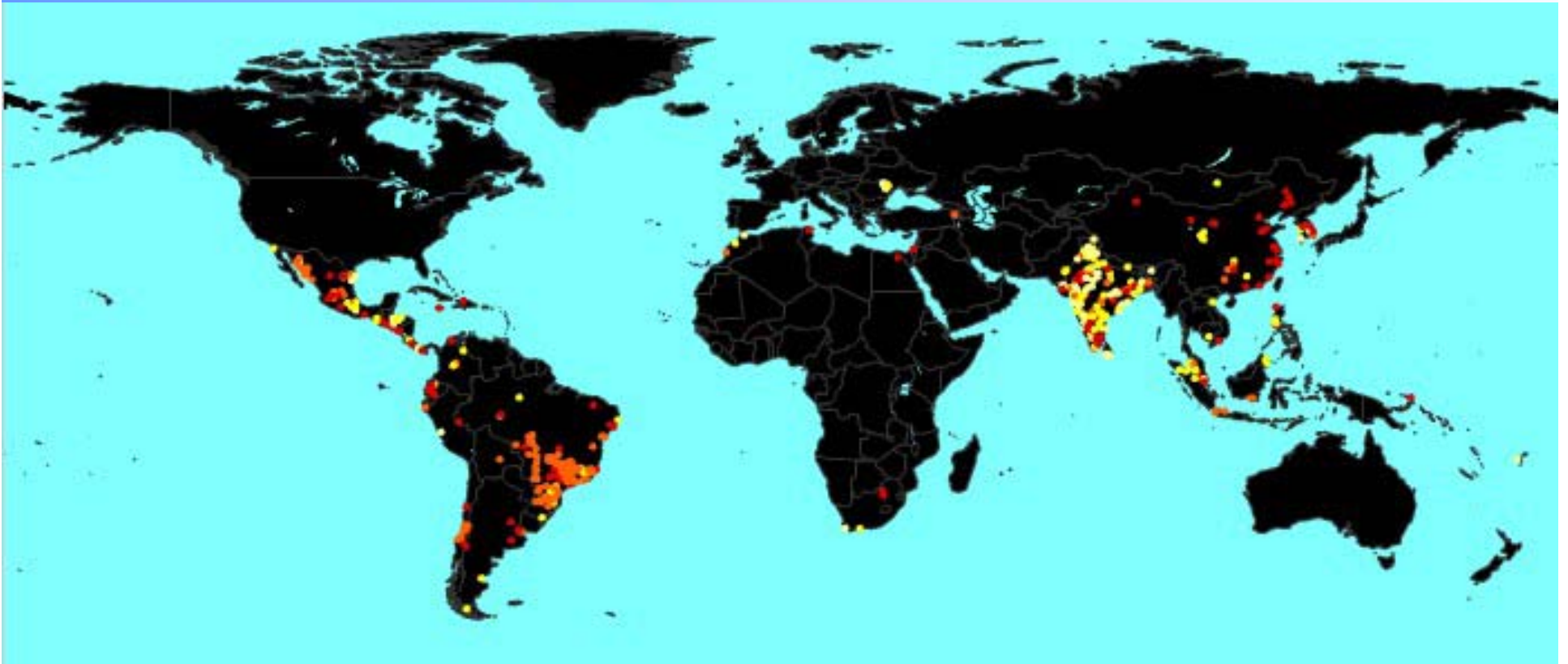
Where the CDM is working (4)



Where the CDM is not working



Where the CDM is working and where it is not



Where the CDM is working and where it is not



Region	Number of projects
North Africa	5
Sub-Saharan Africa	5
NAI-Asia and the Pacific	198
NAI-Other	5
NAI-Latin America and the Caribbean	190
Total	403

NAI = Non Annex 1

Why the CDM is not working for Africa – the usual answers



- **Historically Africa has had least international investment in the modern world**
- **Many more investment risks for investors in most of Africa than elsewhere**
- **Institutional weakness in government, finance, law**
- **Relatively weak infrastructure**
- **Not ‘on the map’ for most investors**
- **Overall, not the biggest greenhouse gas (GHG) emitter in the world**

Why the CDM is not working for Africa – the real answers (1)



- **CDM is project – based – does not matter whether Kenya is or is not a big emitter, electricity sector, cement sector, other industries are**
- **Considerable investment throughout Africa from Kenya to South Africa, Nigeria to Angola, Mozambique to Senegal – so, no shortage of investment**
- **Institutional weaknesses are found everywhere – they can be, and are addressed in many sectors (e.g., energy, transport, etc.)**

Why the CDM is not working for Africa – the real answers (2)



- **On a continent where health, education, water, sanitation & infrastructure are so important – climate change (CDM) not a government priority**
- **Private sector awareness of the CDM is very low – there is no track record, no learning by doing – there is considerable scepticism**
- **UNFCCC has not made real effort to engage Africa in the CDM – far too much attention paid to ‘adaptation levy’ – far too little to making the CDM work for Africa**

Why the CDM is not working for Africa – the real answers (3)



**Who believes the CDM can
work, or should work, or will
work in Africa? Who really
cares?**

Why the CDM is important to Africa



The CDM is important to Africa because Africa needs:

- **economic growth,**
- **increased employment;**
- **diversified economic development**
- **all the investment it can get**
- **all the international capital flows it can get**
- **all the technology transfer it can get**
- **Increased integration into the international economy**

What it takes to make CDM work for and in Africa



- **African governments need capacity to promote the CDM, to encourage the CDM, to work with private sector, to encourage & stimulate project development**
- **African businesses need increase awareness of the CDM, its benefits, its role in accelerating investment & bringing in new technology**
- **The UNFCCC Executive Board needs to make a special effort & case to streamline the CDM process, to reduce all costs of CDM project preparation & registration - without compromising environmental integrity**

Who should do what for CDM in Africa:

Government



- **African governments need financial & technical support to increase capacity**
- **African governments do not need more consultants, more 'aid' programmes, study tours to promote CDM**
- **They need people, trained people, people with resources on the ground to interact with key ministries (finance, trade, investment), & fundamentally with their private sectors**

Who should do what for CDM in Africa: Government Private Sector



- **African private sector need to see ‘successful’ CDM in Africa – ‘seeing is believing’**
- **Nothing beats success like success**
- **They need to understand the CDM, understand what it is & what it is not, fundamentally, how it works**
- **They need strong links to Northern (e.g., European, Japanese, Canadian) business & trade associations who have shared interest in making CDM work in Africa, & who can make important links & investment**

Who should do what for CDM in Africa: The UNFCCC's CDM EB



- **Would China, India, Brazil, Mexico or any country object to the EB making special case for easing the process of CDM in Africa?**
- **Why not suspend all Africa CDM registration fees from now until 2008?**
- **Why not make special effort to work with developers, DOEs/validators to develop more methodologies that are appropriate to Africa (e.g., electricity sector)?**
- **Why not declare 2007 'The Year of African CDM', set a target of 100 African CDM projects by 31st December 2007 & put major support for this?**

What should WE do?



Declare 2007 'The Year of African CDM'

Set a target of 100 African CDM projects by 31st December 2007

Give all possible support to make the CDM work in & for Africa



Thank you!

Mike Bess
Director, International Division
Energy for Sustainable Development Ltd.

+44 1225 816 808

mike@esd.co.uk

www.esd.co.uk