



“Nairobi Framework”

Capacity Building in Africa

SB Side Event, Bonn

The World Bank

14 May 2007

CDM Potential in Sub-Saharan Africa

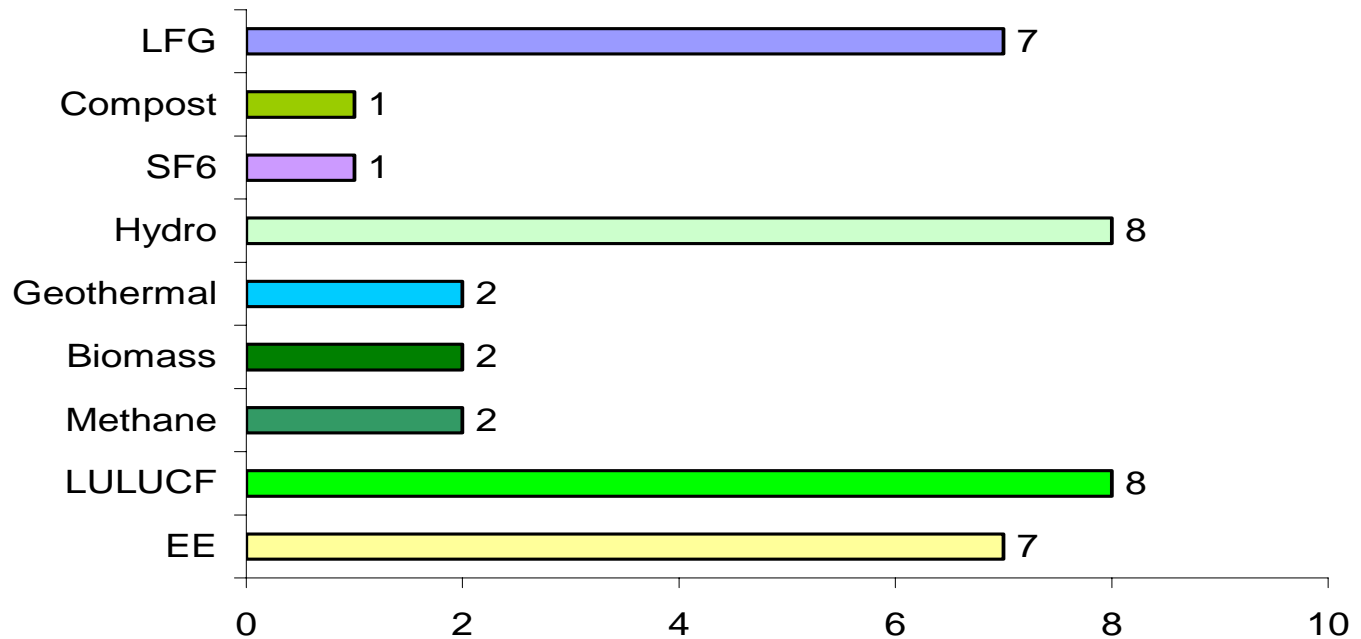
Sector	Countries
Renewable Energy (Wind, Solar, Geothermal, Hydro)	Most countries
Energy Efficiency (Lighting, SMEs)	Most countries
Industrial Energy (cement, coal, goldmines)	South Africa, Senegal, Ghana, Kenya, Cameroon, Nigeria, Tanzania
Bio-Energy (cogeneration, biofuels, households)	Ethiopia, Mauritius, Mozambique and many other countries
Waste Management (landfills, composting)	17 cities with >250,000t/y generation
Natural Gas Flaring	Nigeria, Angola, Equitorial Guinea

Project Development by WB/CFU

Cameroon	Mauritius
Congo	Mozambique
Ethiopia	Niger
Ghana	Nigeria
Guinea	Rwanda
Kenya	Senegal
Madagascar	South Africa
Mali	Uganda

Sectoral Coverage

WB Project Pipeline



Key Barriers to CDM in Africa

- Weak Institutional Capacity: Public and Private
 - Lack of awareness among top decision makers
 - Non-conducive regulatory and legal frameworks (e.g. Feed-in power tariffs, subsidized fossil fuels)
 - Lack of technological and institutional capacity to develop projects
- Economic Structure:
 - High potential in sectors not significant in CDM at present (LULUCF, traditional biomass)
- Access to Underlying Finance
 - Limited DFI flows - Investment Climate
 - Limited CDM know-how of finance institutions
- ➔ High transaction costs in project development

Address Barriers: Africa Assist

- Launched in 2006 as part of CF-Assist program
- Goal: Stronger Participation of AFR in CDM Market with Greater Sustainable Development Benefits
- Focus:
 - Strengthen Institutional Capacity
 - Engage Financial and Private Sector
 - Scale Up Project Pipeline and Deal Flow
 - Create Knowledge and Awareness
- Approach: Country, Regional, Sector

Country Level – Results Framework

<i>Phase I (1 year)</i>	<i>Phase II (1 year)</i>	<i>Phase III (2-3 years)</i>
Theme 1 : CDM/JI Governance		
<ul style="list-style-type: none"> ✓ DNA/Focal Point w/criteria and procedures established 	<ul style="list-style-type: none"> ✓ Supportive regulatory framework developed ✓ Efficient procedures for project review and approval established 	<ul style="list-style-type: none"> ✓ Proactive development and marketing of national portfolio ✓ DNA established sustainable financing plan
Theme 2: Financial/Industry Engagement		
<ul style="list-style-type: none"> ✓ Key financial experts trained 	<ul style="list-style-type: none"> ✓ Financial industry understands 'Rules of the Game' and instruments to hedge risks 	<ul style="list-style-type: none"> ✓ CF integrated into commercial investments and in concessional lending planning/decisions

Results Framework (2)

Theme 3: Project Deal Flow		
<ul style="list-style-type: none"> ✓ Key players in sector fully aware of CF, and some have established systems to assess potential project ✓ At least one PDD completed ✓ Stakeholders have identified and quantified assets in key sectors. 	<ul style="list-style-type: none"> ✓ At least one industry association/intermediary is engaged in CF ✓ Projects continue to be identified autonomously ✓ At least one PDD validated and ERPA negotiated ✓ Participation at Carbon Expo 	<ul style="list-style-type: none"> ✓ At least 2 projects annually with ERs ✓ Sustaining deal flow ✓ Intermediaries engaged in CF on sustainable basis ✓ Ongoing Carbon Expo participation with partial or no subsidy
Theme 4: Knowledge Management		
<ul style="list-style-type: none"> ✓ CDM/JI information, approval procedures, and project opportunities widely disseminated ✓ Key local experts trained to design and market projects with/to international experts 	<ul style="list-style-type: none"> ✓ At least one national workshop covering all CF topics in depth ✓ Knowledge sustained by web or long-distance learning ✓ National and regional networks established 	<ul style="list-style-type: none"> ✓ Local and regional experts transferring knowledge to other countries/regions ✓ Durable mechanisms for KM (e.g. certification, accredited DOE, etc.).

Regional Level: Market Development Facilitation

- Regional Events
 - Carbon Finance Day, Nairobi, November '06
 - North Africa Carbon Forum, Rabat, April '07
- Global Carbon Expo
 - Participation of Host Countries
 - Exhibition and project transaction

Sector Approach

Sector Assessments (AFR):

- Cement industry
- Biofuels
- Carbon Capture and Storage

New Methodology Development:

- Transport Sector (global)

Achievements So Far

- Over 1200 people exposed to training programs and events under Africa Assist
- Baseline capacity assessment completed for 16 African countries
- Over 40 CDM projects in various stages of development in SSA
- Development of Forestry sector in Madagascar and Senegal
- 23 African host countries assisted in Carbon Expo participation including 16 exhibitors
- DNA creation facilitated in Botswana; another 05 DNAs being provided institutional strengthening

Priorities for Africa Assist

- Increase Coverage and Scope of CDM Assistance
- Collaborate with Partners:
 - Nairobi Framework Partners
 - Bi-lateral and regional partners (CEFEB, IEPF, METAP)
- Identify and promote regional centers of excellence: (e.g. KenGen in East Africa)
- Address emerging topics: Programmatic approaches, Sectoral assessment
- Develop innovative delivery mechanisms: e.g. e-modules, distant learning)

Work Program 2007-09

<i>Program</i>	<i>Ongoing 9 Countries</i>	<i>Initiated in 2006</i>	<i>Proposals</i>
Sub-Saharan Africa	Botswana Madagascar Mali Mozambique Senegal Uganda	Burkina Faso Kenya Rwanda Southern Africa Western Africa	Benin The Gambia Niger Nigeria
North Africa	Egypt Morocco Tunisia		Algeria

WB Collaboration with NF Partners

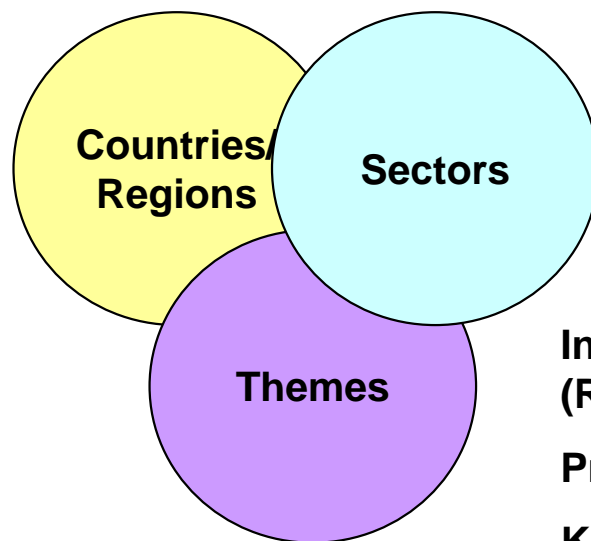
- UNEP
 - CF-SEA (UNEP-RISO and CDCF) – 45 PINs developed
 - CASCADE program (CF-A, BioCF on Advisory Committee)
 - Southern African Investment Forum, Johannesburg, May 2007
- UNDP
 - Training of program staff
 - Project transaction under MDG Fund under discussion
- UNFCCC
 - Discussion on sharing capacity building experience
 - Policy/technical level dialog and inputs (pCDM, AvDef, etc.)

Nairobi Framework Coordination: Next Steps

- Mapping Exercise –
 - Avoid duplication
 - Enhance complementarity in areas of strengths
- Quarterly review of programs
- Share events, technical expertise, tools and learning materials
- Cross-linked websites
- Identify areas of cooperation with AfDB

Coordination on Scaling Up

Renewables, Forestry, Bio-energy, CCS, Industrial Energy, Commercial Finance,



***Small Countries –
One lead agency***

***Large, active
countries –
Shared activities***

**Institutional Strengthening
(Regional Hubs)**

Project Deal Flow

Knowledge Generation

Delivery Mechanisms