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PRESS RELEASE

With Africa beginning to access CDM, experts say more opportunities are emerging

Participants meet in Marrakesh to discuss prospects for carbon offsets

(Marrakesh, 6 July, 2011) - With more than 1,100 registered participants, the Africa Carbon Forum, the leading regional trade fair and knowledge sharing platform for carbon investments, has demonstrated that Africa is an increasingly attractive destination for Clean Development Mechanism (CDM) projects, as investors seek new opportunities for growth in the voluntary market as well as the CDM.

The annual event, which was held in Marrakesh from 4-6 July, marked the 10th anniversary of the Marrakesh Accords – the adoption of the rules that govern the CDM. It brought together project developers, buyers, service providers, national CDM representatives and various other private and public sector stakeholders, all hoping to tap the potential of carbon offset projects on the continent.

Highlighting the prospects for the continent, Christiana Figueres, UNFCCC Executive Secretary, noted that there is an increasing number of CDM projects in several countries in Africa. "The opportunities in Africa are increasing. I am convinced that the growing interest in CDM projects will help turn the tide and contribute to firmly positioning Africa's opportunities for the carbon market landscape beyond 2012. This shows that the efforts of the Nairobi Framework partners in capacity building and the steps taken by the CDM Executive Board to streamline the process are bearing fruit," she said at the Forum.

Africa accounts for only two percent of the 3,220-plus registered CDM projects in 71 countries worldwide. However, research suggests that there is a great deal of untapped potential for CDM on the continent, which has seen a strong growth trend in the past few years, as well as increasing private sector interest.

There are now 190 CDM projects at different stages of the pipeline in Africa. This is up from 170 projects at the end of 2010, 130 in 2009, 90 in 2008 and just 53 in 2007. Recent data from the UNEP Risoe Centre show that in the last three years there has been a relatively higher number of projects initiated in Africa than globally.

"The offset project landscape in Africa is changing. The increased appreciation of and interest in the CDM here is starting to transform access to markets, as the PoA statistics indicate. It is obvious that the capacity-building efforts are paying off and the message is getting out.



Now, more than ever, we need the long-term market signals for Africa clarified," said Neeraj Prasad, Manager for the Climate Change Practice at the World Bank Institute. According to the organizers of the Forum, the most promising development, one that holds particular benefits for Africa, is the growth in the CDM Programme of Activities (PoA) approach. Of the nine programmes so far registered globally, three are in Africa. More are in the works.

Under PoA, an unlimited number of similar projects, over a wide geographical area, can be included under a single administrative umbrella. This means that many smaller projects that would not have been feasible under CDM before can now be bundled together reducing transaction costs, while becoming more attractive for CDM finance.

"Programmatic CDM is clearly seen as a very attractive option by African countries and project developers. The number of PoAs in Africa is now almost 23 per cent of the existing PoAs. This is a much higher percentage than Africa's share of all CDM projects. The increasing knowledge and interest of regional participants is very evident at this Forum. Since 2010, when the Africa Carbon Forum was hosted by UNEP in Nairobi, our efforts to engage the private sector and finance institutions in the region through targeted capacity building and piloting partnerships between the public and the private sector are clearly bearing fruit," said John Christensen, Head of the UNEP Risoe Centre.

The ACF is an important effort under the banner of the Nairobi Framework to help extend the reach of the CDM, according to Henry Derwent, president and CEO of the International Emissions Trading Association (IETA). "For commercial as well as political reasons, the carbon offset market is now focussed on Africa, whether for CDM projects or voluntary offsets, renewable energy, forestry or land-use. The ACF is helping Africa understand and seize the opportunities," said Henry Derwent.

Reducing Emissions from Deforestation and Degradation (REDD) was also a principal focus of attention at the ACF, along with the development of the concept of Nationally Appropriate Mitigation Actions (NAMAs), under discussion at the UNFCCC negotiations.

The African Carbon Forum is held under the Nairobi Framework, an initiative launched to help developing countries, particularly those in sub-Saharan Africa, to increase their participation in the CDM.

Launched in November 2006 by then Secretary-General Kofi Annan, the Nairobi Framework's partners now include the United Nations Environment Programme (UNEP) and its Risoe Centre, the United Nations Development Programme (UNDP), the World Bank and its World Bank Institute, the United Nations Institute for Training and Research (UNITAR), the United Nations Conference on Trade and Development (UNCTAD), the African Development Bank, the United Nations Framework Convention on Climate Change secretariat and the International Emissions Trading Association (IETA).

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**Useful links:**

<<http://africacarbonforum.com/2011/english/index.htm>>
<<http://cdm.unfccc.int>>
<<http://carbonfinance.org>>
<https://cdm.unfccc.int/Nairobi_Framework/index.html>

About the CDM

The CDM allows emission-reduction projects in developing countries to earn certified emission reductions (CERs), each equivalent to one tonne of CO₂. CERs can be traded and sold, and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol. The CDM assists countries in achieving sustainable development and emission reductions, in addition to reducing their emissions, while giving industrialized countries some flexibility in how they meet their emission targets.

About the UNFCCC

With 195 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership and is the parent treaty of the 1997 Kyoto Protocol. The Kyoto Protocol has been ratified by 193 of the UNFCCC Parties. Under the Protocol, 37 States, consisting of highly industrialized countries and countries undergoing the process of transition to a market economy, have legally binding emission limitation and reduction commitments. The ultimate objective of both treaties is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.