

Report on 'Capacity building workshop on development of CDM activities and NAMA for the public and private sector in Zimbabwe'

Post adoption of the Paris Agreement, developing countries in Africa are continuing efforts to support implementing mitigation actions through active participation of private and government sector stakeholders and also seek innovative ways to leverage private (domestic and international) and public sector finance to support implementation of their mitigation commitments. The Clean Development Mechanism (CDM) has contributed to catalyse mitigation action targets through implementation of projects and programmes, by providing access to carbon finance, backed by an internationally recognized Measurement Reporting and Verification (MRV) infrastructure. In Zimbabwe, the Climate Change Management Department of Ministry of Environment, Water and Climate (the Ministry) has been promoting the implementation of various mitigation actions such as CDM activities and implementation of Nationally Appropriate Mitigation Actions (NAMAs) via an effective and participatory set of dialogues between private sector, finance and regulatory institutions in striving towards the achievement of the countries sustainable development goals and commitments under the UNFCCC and ultimately Paris Agreement.

As part of these active dialogues, the Ministry in collaboration with the Regional Collaboration Centre (RCC) Kampala and with kind financial support from UNDP, Zimbabwe and UNV, hosted a capacity building workshop on development of CDM activities and NAMAs for public and private sector in Zimbabwe, on 24 and 25 August 2016 at the Montclair Hotel in Nyanga. The workshop was designed **to facilitate dialogue among various stakeholders in Zimbabwe on the opportunities presented by the CDM and NAMAs, how pre-2020 action reaches into broader mitigation action and contributes to the implementation of Zimbabwe's (I)NDC, means for capacity building and leverage finance for these actions.** Over 60 participants attended the workshop including representatives from various government authorities, power and network regulators, transport operators, private sector stakeholders, project proponents, development banks and environment and energy consultants.

Opening remarks

Mr. Washington Zhakata, Director of Climate Change Management Department at the Ministry, in his opening remarks mentioned Zimbabwe's commitment to reduce per capita GHG emissions by 33 per cent below business as usual scenario by 2030. He highlighted that Zimbabwe will meet its contribution through implementation of mitigation actions in key sectors such as renewable energy, energy efficiency, agriculture, forestry, transport and waste. He further highlighted Zimbabwe's efforts in increasing its project count under CDM and noted that 16 prior considerations are submitted to the UNFCCC secretariat and designation national authority (DNA) from

the project developers, out of which 11 were submitted to UNFCCC secretariat since January 2016.

The country has enormous potential for low carbon and high resilience growth, with a young population, strong innovation and a solid entrepreneurial ethic, plenty of natural resources and situated optimally well within the SAPP. The infrastructure base is present, but needs attention. The country still faces considerable challenges in particular in stabilisation of the budget and the financial sector; providing emergency humanitarian relief aid and power; fighting corruption; putting the economy back to work by addressing supply side constraints; mobilising resources for kick-starting growth-enhancing programmes such as infrastructure development; building confidence for attracting international finance and investment also from China; a need to actively re-engage with the international finance community, closing and financing the agenda for economic and institutional reform; developing the Zimbabwe investment brand to position Zimbabwe as a viable investment destination; and ultimately promoting inclusive and sustainable growth.

Module 1: Climate challenge and Zimbabwe's planned response actions

In the first module of the workshop representatives of various Ministries such as Ministry of Environment, Water and Climate, Ministry of Energy and Power Development, Ministry of Industry and Trade, government authorities such as Zimbabwe Energy Regulation Authority, and private sector representatives such as Sesani and Business Council for Sustainable Development in Zimbabwe (BCSDZ) briefed participants about various policy decisions and actions Zimbabwe is taking in the field of renewable energy, forestry, agriculture, transport and waste management.

Mr. Tirivanhu Muhwati, Climate Change Scientist, in his presentation, highlighted various government priority response actions including submission of Intended Nationally Determined Contributions (INDCs) to achieve a 33 per cent reduction in GHG emissions by 2030 compared to business as usual scenario. Above presentation was well complemented by, Mr. Tobias Mudzingwa of Zimbabwe Energy Regulatory Authority who informed participants regarding various initiatives and policy decisions such as renewable energy feed in tariff policy, power procurement regulations, developing policy framework for Independent Power Producers (IPPs), conducting training for energy professionals etc. taken by the government to promote green energy deployment in Zimbabwe which is encouraging investment in renewable energy in the country.

Ms. Shorai Kavu and Mr. Arnold Madziya from Ministry of Energy and Power Development and the Renewable Energy Agency (REA) respectively presented a broad picture of energy sector in Zimbabwe highlighting energy sector interventions and renewable energy development in Zimbabwe. Ms. Kavu in her presentation highlighted various policies and legislations such as rural electrification fund act, rural energy master plan etc. in-force in Zimbabwe to support deployment of renewable energy in the country. Mr. Madziya in his presentation highlighted initiatives taken by the government to promote solar power based grid extension projects and micro grids.

Presenting the waste sector initiatives for turning waste into energy Mr. Marshal Maphosa provided a brief about Harare's waste to energy project and stressed need for default factors for waste characterization in Zimbabwe which will reduce the effort for estimation of GHG emissions avoided from such projects.

Mr. Kudzai Chidzonga, Ministry of Industry and Trade, highlighted challenges such as liquidity crunch, access to energy efficient equipment, capacity building for climate change related issues on business growth, manufacturing sector is facing due to climate change related issues, and the new developments including strategies for example emphasis on technology transfer, research and development, conducting awareness campaigns to address climate issues in this sector.

Last in the interventions session, Mr. Tawanda Muzamwese from Business Council for Sustainable Development in Zimbabwe (BCSDZ) informed participants about various initiatives and projects undertaken by the council. These include, low carbon technology partnership initiative, industrial energy efficiency and renewable energy projects, estimation of carbon foot-printing and sustainable reporting of the companies.

This module laid the foundation for the modules to follow and helped participants to understand various policies and framework decisions the Government of Zimbabwe has taken to support the implementation of various climate change mitigation actions and thereby understand Zimbabwe's position in meeting the target set in its INDC.

Module 2: Background information on CDM and updates on government framework to facilitate CDM projects

In the second module which was focused on development of CDM activities, presentations by Mr. Vikrant Badve, RCC Kampala, Mr. Grant Kirkman, UNFCCC secretariat, Mr. Ambachew Admassie and Mr. Mayuresh Sarang, Climate Dynamics Limited and Mr. Kudzai Ndidzano provided an insight on the development of CDM activities, use of sustainable development tool and use of voluntary cancellation tool.

Mr. Admassie in his presentation briefed about CDM as a global mitigation tool, highlighting CDM's experience in past 12 years towards sustainable development. He also highlighted CDM as future mitigation tool. Mr. Badve further highlighted the process for developing CDM activities and unfolded various steps involved in CDM project cycle. He also highlighted the role of the RCC to provide on-the-ground support for development and implementation of CDM activities and CDM tools such as Standardized Baselines (SBs).

Continuing the use of various CDM tools Mr. Kirkman in his presentation highlighted that the climate change issue is an area of greatest concern and has gained substantial focus by being considered as one of the priority area for United Nations role and continued involvement, now and into the future. He stressed further on how CDM tools can be unravelled by all stakeholders and where he introduced various

approaches for stakeholder involvement such as the sustainable development tool, voluntary cancellation tool and voluntary cancellation platform, to the participants.

Mr. Ndidzano in his presentation took stock of various initiatives taken by the Ministry to increase the number of CDM projects in Zimbabwe. He provided overview of the process of issuance of letter of approvals by the DNA to the potential project developers.

This module helped participants to understand the process of and timeline required for developing a CDM project or a Programme of Activity (PoA), and responded to many of the questions from participants such as when shall we contract the designated operational entity (DOE) for validation, what documents needs to submitted to the DOE, DNA and secretariat in course of validation, how much fees a project proponent need to pay against registration, etc. This is particularly important in the wake of 11 prior considerations submitted from the Zimbabwe since January this year.

Module 3: Use of standardized baseline as MRV framework for mitigation actions in Zimbabwe

In the third module, Mr. Vikrant Badve introduced participants to the concept of standardized baselines while Mr. Mayuresh Sarang and Mr. Ambachew Admassie presented case studies on electricity generation and waste sectors which are identified as key sectors by the Ministry.

Mr. Badve informed SB development process including procedural requirements to participants. Further, he emphasized the benefit of SBs as a reliable and transparent means to develop baseline or baseline factors for monitoring, reporting and verification purpose of mitigation outcomes and also as a tool for demonstration of additionality and simplifying the baseline development process for CDM projects in addition to wider mitigation outcomes including NAMAs.

Further in the module, Mr. Sarang and Mr. Admassie provided detailed insight on SB development process presenting case studies on development of grid emission factor for South African Power Pool (SAPP), which Zimbabwe is part of and SB development for waste sector SB as waste is one of the prioritised sectors for Zimbabwe.

The participants continued the discussion on module 2 and 3 in bilateral with the respective experts after the close of the day.

Module 4: Wider mitigation actions and low carbon development in Zimbabwe

The second day was focussed on financing aspects related to development of CDM projects, NAMAs and low carbon development strategy. Apart from experts from UNFCCC and Climate Dynamics Limited, this session was also addressed by the experts from the Ministry, UNDP, the African Development Bank (AfDB), and Infrastructure Development Bank of Zimbabwe (IDBZ).

In this module participants were introduced to the concept of NAMAs and low carbon development strategy by Mr. Lawrence Mashungu, Climate Change Management Department and Ms. Sidsel Koordt Vognsen, UNDP Zimbabwe. Mr. Mashungu and Ms. Sidsel provided an insight of Zimbabwe's low emission development strategy and proposed roadmap for implementation and achieving Zimbabwe's contributions to reduce its GHG emissions as mentioned in its INDC.

Further they updated participants about status of development and preparation of NAMAs in solar water heating, cookstoves, efficient lighting, and biogas initiatives in Zimbabwe. In this module Mr. Badve also highlighted the scope for capacity building in NAMA development and implementation process and indicated how RCC can support various actors involved in development and implementation process of NAMAs through its partners like UNDP, IRENA, and the Nairobi Framework Partners.

Module 5: Means of implementation and finance

In fifth module, respective experts from UNFCCC and Climate Dynamics Limited informed participants about carbon markets, climate finance initiatives and opportunities for financing mitigation actions such as CDM and NAMAs. The banking sector professionals from AfDB and IDBZ provided brief overview of actions from the respective banks.

Mr. Kirkman set scene for the discussion under this module and introduced concept of climate finance to participants. In the first presentation under this module, Mr. Sarang briefed participants about past, current and future status of the various mitigation options. He also provided a roadmap to link the NAMA and CDM with in context of the Paris Agreement including on how ambitions of the Parties, as mentioned in their country specific INDCs, can be linked with various domestic actions such as development of national or regional carbon market, and to seek benefits by development and implementation of various mitigation actions under CDM, NAMAs. He further highlighted the need for developing countries to realize climate finance as a means to fund these domestic mitigation actions through identification of the already available climate finance initiatives, and highlighted opportunities for Zimbabwe. Several examples were provided of how this is being done in other countries and how given the right investment conditions the same could be done in Zimbabwe as expedited by local banks such as IDBZ.

Mr Kirkman in his presentation informed participants about policy framework for finance and project development risks over project life cycle. He further provided insight to financing for CDM activities using climate finance through various modes such as green bonds, result based financing etc., introduced traditional finance products and their structure for financing CDM activities, and financing mechanism of NAMA facility. He also provided an update on the GCF and programmes of work that provide support and finance for investments and SBL development.

In his presentation Mr. Emmanuel Nzabanita of AfDB mentioned various initiatives by AfDB to finance mitigation actions throughout Africa especially in Zimbabwe through the ZimFund. Mr. Blessings Chiwandire of IDBZ in his intervention mentioned that IDBZ was active in the capital market through issuing bonds which could include renewable energy assets, which were subscribed by local institutional investors (pension funds). He advised that in the near future the Bank would package infrastructure bonds to finance mitigation actions in areas such as electricity generation, water and sanitation, and transport sectors. He further mentioned that the bank has been in the process of applying for accreditation as national implementing agency under Green Climate Fund and bank would undertake efforts to align its project funding cycle with CDM's project cycle to ease funding to CDM activities in Zimbabwe. A request was made to investigate where the RCC and UNFCCC can assist the IDBZ in the development of a green bond programme and climate desk.

This module continued with the panel discussion on "Leveraging Climate Finance for private and public sector mitigation actions", wherein participants raised relevant questions related to availability of climate finance for the mitigation actions in Zimbabwe, capacity building initiatives for the local financial experts and project developers.

The continued participation of the private sector including project developers and financial institutions to ensure development and implementation of the various mitigation actions in Zimbabwe was a key factor highlighted during the workshop. To further build regional capacity, RCC Kampala looks to conduct similar workshops in countries within the region based on the country needs.

Next Steps

As a follow up, RCC will continue providing support to the Ministry, potential project developers and project consultant in Zimbabwe for developing bankable mitigation activities including CDM project activities and NAMAs. RCC will coordinate with climate finance expertise from UNFCCC Bonn team to extend required support related climate finance to the potential project developers and or financial sector expertise in Zimbabwe including exploring assisting the IDBZ in the development of a green bond programme and climate finance desk. The opportunities for follow up dialogues will be investigated.

The RCC has also received Zimbabwe's priority sectors for developing SBs during Nairobi Framework Programmes' session at 8th Africa Carbon Forum at Kigali. Further, the GCF has the means to finance the development of SBs in the context of the readiness support should there be a request coming from Zimbabwe. The RCC stand ready to support Zimbabwe's request for the development of a SBs in the context of the readiness support. For this support below process will be followed in order to access financial support from the GCF for new SBs:

- RCCs will confirm the priority for development of SBs to UNFCCC Bonn;
- The UNFCCC Bonn will prepare a readiness template for the development of SBs for the selected sectors, in collaboration with the RCC;

- RCCs will support the drafting Zimbabwe's letters of non-objection;
- RCCs and UNFCCC Bonn will support Zimbabwe in submitting the requests to the GCF for developing SBs.

Photo: Participants of the workshop (as attached with email).