UNEFP’s Role in Supporting Developing Countries for CDM Projects

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Presentation outline

- UNEP & Climate Change
- Climate relevant projects at DTIE
- Capacity Development for the CDM Project
  - basic information
  - workplan and objectives
  - current status
  - next steps
As the lead environmental institution, UNEP has a distinct cross-cutting functions to play...

- **Scientific assessments**
- **Analytical tools and guidelines**
- **Public awareness and information**
- **Capacity building**

**UNEP Climate Strategy** under preparation

- Priorities set out in FCCC process
- Established area of competence & existing programmes
UNEPA & Climate Change: Main activity areas

- Sustainable Development Synergies with Climate Change (UCC: UNEP Collaborating Centre on Energy and Environment)
- Vulnerability Assessment and Cost Effective Adaptation (DPDL; IPCC)
- Integrating Land Use Change and Forestry (DPDL)
- Sustainable Energy and Mitigation (DTIE)
- Kyoto Mechanisms and National Policy Instruments (UCC)
- Technologies, Finance and Insurance (DTIE)
Division of Technology, Industry & Economics (DTIE)

Restructured in 1998, bringing together existing 4 offices to provide integrated responses to industrial and urban issues.

Director
Jacqueline Akissi de Larderel

IETC
Freshwater management
Environmental management of cities

Production and Consumption
Fritz Balkau
Focus: Production & consumption
Industry sectors

Chemicals
Focus: POPs, PIC

Energy and OzonAction
Focus: Ozone energy

Economics and Trade
Focus: Economics & trade
Financial services

Coordination of Regional Activities

Production and consumption
Industry sectors

Financial services

Ozone energy

Economics & trade

UNEP
DIVISION OF TECHNOLOGY, INDUSTRY AND ECONOMICS
Encourage decision makers in governments, local authorities and industry to develop and adopt policies, strategies, practices that:

- are cleaner and safer
- make efficient use of natural resources
- ensure environmentally sound management of chemicals
- reduce pollution and risks for humans and environment
- enable implementation of conventions and international agreements
- incorporate environmental costs
UNEP Energy Programme: Selected projects

- Sustainable energy financing
  - RE/EE Investment Advisory Facility/ GEF/SANet
  - UNEP/World Bank programme on Financial Intermediation Mechanisms for Energy Efficiency lending (Brazil, China, India) /UNF

- Entrepreneurial capacity building and early stage support for clean energy start-up companies
  - Rural Energy Enterprise Development “REED” (Africa, Brazil, China)/UNF

- Assessment / information on RET resource and services
  - Solar and Wind Energy Resource Assessment (SWERA) /GEF

- Policy analysis, methodology development & capacity building
  - CDM Capacity Development /Dutch

---------- more information at  http://www.uneptie.org/energy
Other climate relevant activities at DTIE

- Cleaner Production Unit
  - Promoting Industrial Energy Efficiency through a Cleaner Production / Environmental Management System Framework (China, India, Vietnam, Czech Republic, Slovak Republic, Hungary) / GEF

- Finance Initiatives / Economic and Trade Unit
  - Climate Change Working Group

- Regional Office for Asia and the Pacific (ROAP)
  for information on Energy Activities in Asia Pacific, please visit ..... www.uneptie.org/energy/regions/roap/roap.htm
Capacity Development for CDM project: Background

- Complex legal, financial & technical issues
- Limited Institutional capacity

Capacity development needs at various levels (gov; public & private sector; research)

Implementation of CDM

Potential benefit of CDM
- Tech. tra & financial resources
- Sustainable energy production & conservation
- Poverty alleviation
- Local co-benefit etc
Capacity Development for the CDM project: Basic information

- **Duration:** 4 years (Feb. 2002 – Dec. 2005)
- **Implementation:** UCCEE–Riso/ UNEP DTIE
- **Host countries:** 12 small–medium sized non–Annex I selection based on the donor proposal and following criteria
  - prior ratification of the UNFCCC; signature/ ratification of KP
  - submission of NC
  - existence of a focal agency for UNFCCC/KP
  - national policy framework to promote investment/ use of RE& EE
  - emission reduction potential, total GHG emissions, population
  - on–going activities on the CDM/JI
  - political stability
  - existing institutional and analytical capacity
Capacity Development for the CDM project:
Basic information

- **Funding**: US$10mio / Dutch government
- **Other features**:
  - focus on energy sector projects
  - 60% of budget to be spent on in-country activities
  - full utilisation of national and regional institutions
Capacity Development for CDM project: Overall objectives

- Generation of a **broad understanding of the opportunities** offered by the CDM
- Developing the necessary **institutional and human capabilities** that allows the participating countries to formulate and implement CDM projects as **equal partners** with Annex-I counterparts

Encourage “learning by doing” & experience sharing
Help ensure the **early success and efficacy of the CDM**
Capacity Development for CDM project: Work plan & objectives

1. Build **government supports** for the CDM
2. Develop **capacity of policy makers**
3. Support the establishment of **national institutional framework** for CDM
4. Strengthen **capabilities of the public and private sector** project developers
5. Support the creation of a **pipeline of the CDM eligible projects** & the institutional capability to attract investors
Capacity Development for CDM project: Overview of the activities

UCCEE/UNEP
- in-country dialogue
- info.collection on capacity needs assessment
- development of country specific approaches/training manuals/guidelines
- national/regional workshops/training/seminars

Policy makers
- establish a focal point agency
- formulate regulatory framework
- define baseline parameters
- establish a national CDM entity (plays a role throughout project cycle)

Private sector project developers & financial sector
- understand the value of CERs
- identify CDM projects
- formulate investment plans
- secure financial support
- implement CDM projects

Public sector & research institutions
- support define baseline and validate projects

in co-operation with
- National CDM relevant entities
- Regional Centres
- consultants and other partners
Capacity Development for CDM project: Current status

- Selection of host countries (subject to further confirmation*)
  - Asia: the Philippines, Vietnam, Mongolia
  - Latin America: Bolivia, Ecuador, Guatemala
  - Middle East and North Africa: Jordan, Morocco, Egypt*
  - Sub-Saharan Africa: Cote d‘Ivory, Mozambique, Uganda
- Regional Centers being selected
- Initial country visit starts shortly
  - Discussion with stakeholders & Inventories of past and ongoing national activities -> country specific multi-year work plan
- Initial CDM information document prepared by UCCEE
Capacity Development for CDM project: Next steps

- An advisory body
  - co-ordination with other ongoing activities in the area
  - strategic advice on the direction for project implementation
  - information exchange, seeking synergetic opportunities
  - UNEP (DTIE, UCCEE), UNFCCC Secretariat, UNDP, UNIDO, World Bank, donor government, RDBs, industry etc.

- Co-operation with regional offices
  - sharing information and experiences among governments in the respective regions
    e.g. translation of key documents, workshops

- Information dissemination /update through web page
Thank you for your attention!
7. Issuance of CERs

Legends:
- Activity
- Report
- Institution

Project description; Baseline methodology; Monitoring methods/plan; GHG emissions; Statement of env. impact; Stakeholder comment

National CDM Authority: Government consent; Government confirmation that the project assist in SD

Project cycle for the CDM

1. Project design & formulation
   - Project participants
   - Project design document

2. National approval
   - Project design document

3. Validation/registration
   - Operational Entity A

4. Project financing
   - Investors

5. Monitoring
   - Project participants or a third party
   - Monitoring report

6. Verification/certification
   - Operational Entity B
   - Verification report/Certification report/Request for CERs

EB/Registry