

Integrated Capacity Strengthening for the Clean Development Mechanism

A New Initiative from MOE Japan and IGES

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Outline of Presentation

1. IGES & Climate Policy Research
2. CDM and Needs for CB in Asia
3. New CB Initiative by IGES: ICS-CDM
4. Needs Assessment: Preliminary findings and gaps for CB
5. Next Steps

IGES & Climate Change

- Institute for Global Environmental Strategies (IGES): A non-profit think tank for strategic research on environmental issues in Asia and the Pacific, established in 1998
- Climate Policy Project:
 - research on CDM baseline methodology
 - series of WS on climate change in Asia

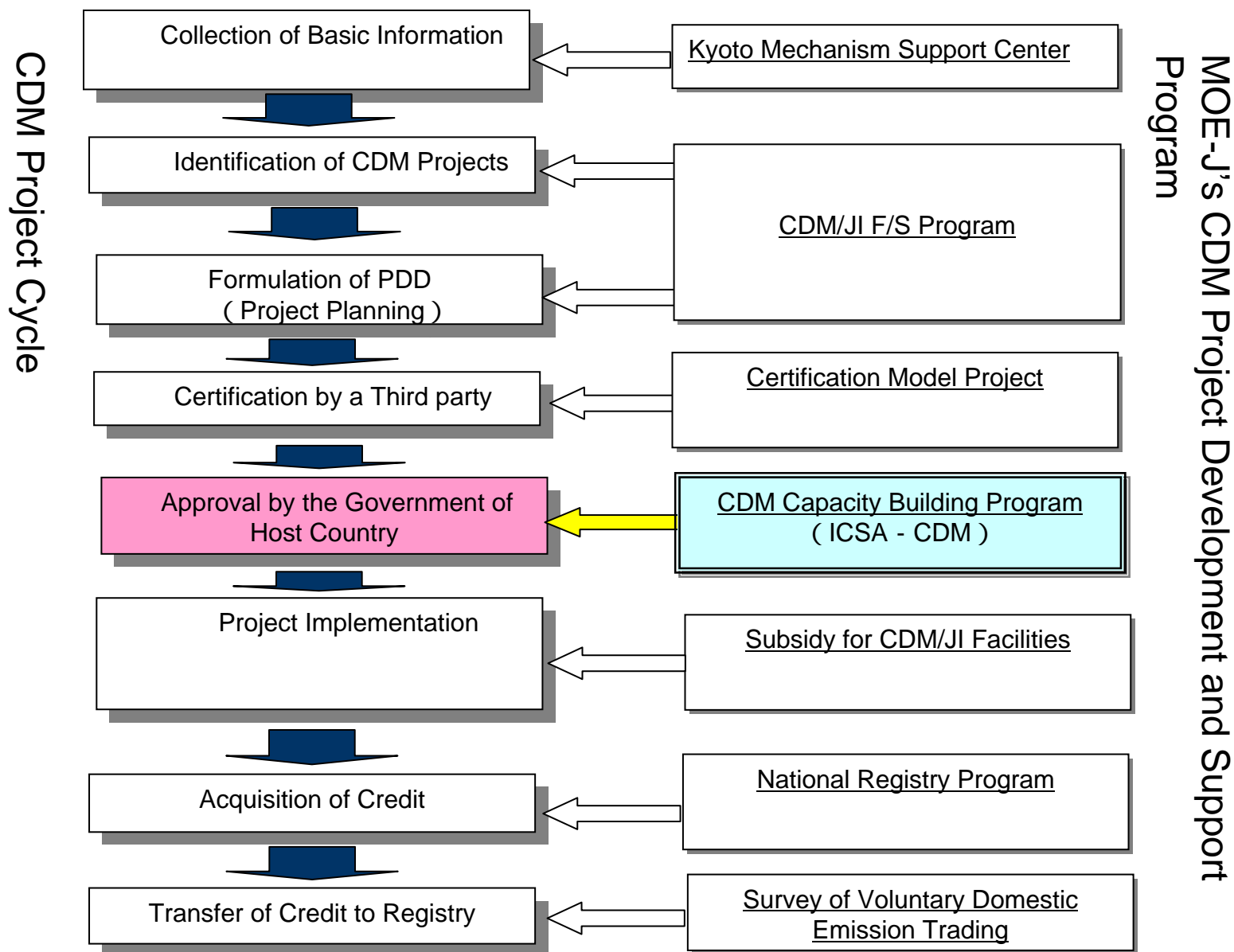
CDM and Needs for CB in Asia

- CDM: opportunity for SD
- Host country's capacity:
 - lack of awareness
 - lack of Institutional & human capacity
 - lack of linkages with investors
- Assistance for CB is needed to maximize potential benefit of CDM

A New CB Initiative from MOE-Japan and IGES:
Integrated Capacity Strengthening for CDM
(ICS-CDM)

1. ICS-CDM is one of CDM promotion initiatives by MOE-Japan
2. ICS is an initiative for Capacity Building
3. Aims at strengthening institutional & human capacity to operationalize CDM within the framework of sustainable development

MOE's JI/CDM Promotion Programs



ICS-CDM Basic Information

1. Start from October 2003
2. Funding: Ministry of Environment Japan
3. Implementing agency: Institute for Global Environmental Strategies (IGES)
4. Host countries: non-Annex I countries mainly in Asia
 - FY 2003 : India, Indonesia and Cambodia

Goal and Objectives

- Enabling developing countries in Asia and investors from Japan to participate in CDM within the framework of sustainable development by

Facilitating dialogue between Japan and host countries, and between public and private sectors

Raising awareness on the opportunities of CDM among various stakeholders (policy-makers, private sector, NGOs/academia)

Contributing to Institutional & human capacity development for CDM

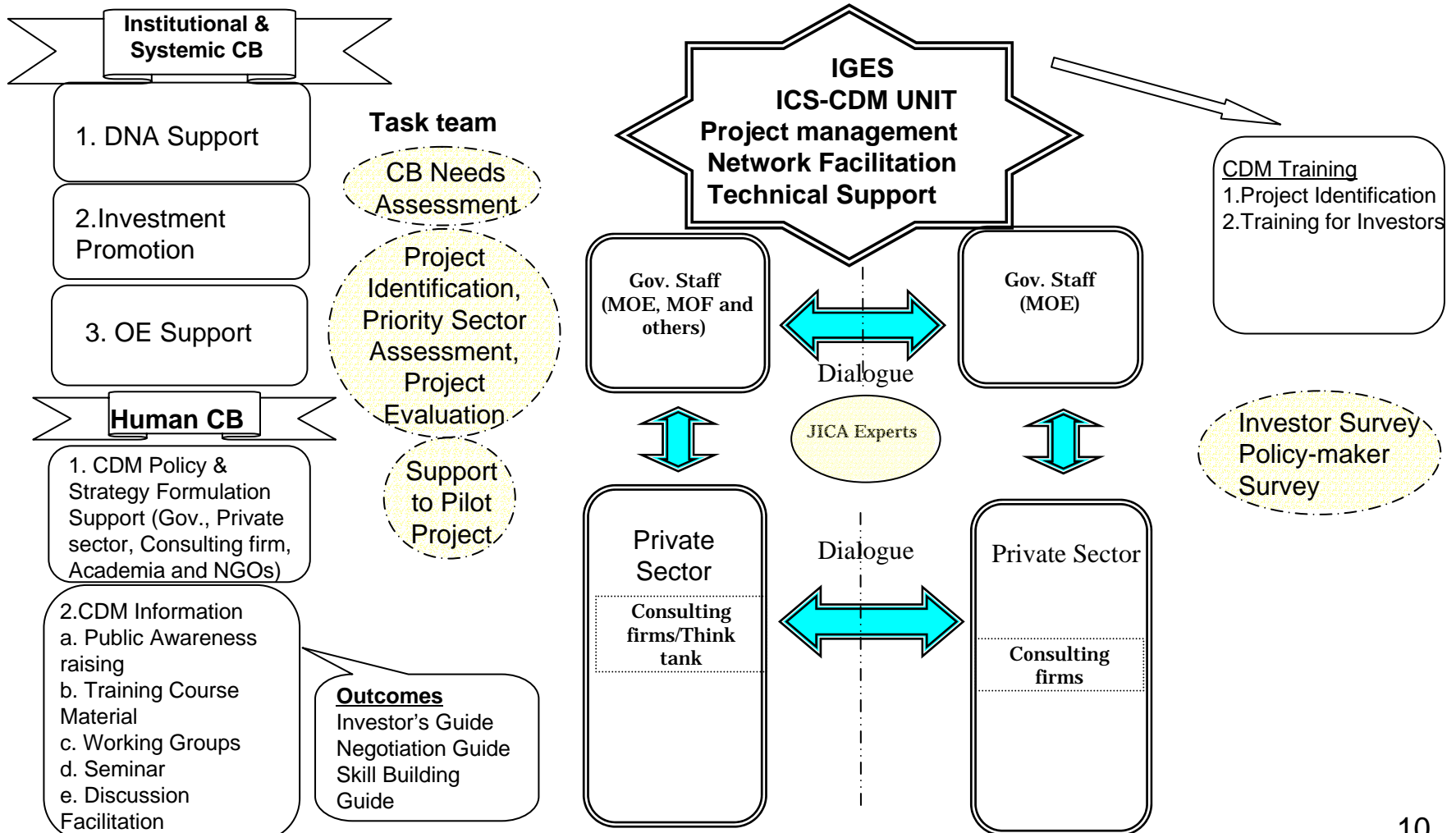
General ICS-CDM Tasks

- Awareness raising and information outreach
- Strengthening of capacity of diverse stakeholders:
 - Policy-makers and Government officials
 - DNA for CDM
 - Project developers
 - Project financiers
 - NGOs, Local communities, research organizations and Academia
- Facilitate the development of CDM-eligible projects in priority sectors
- CDM Investment promotion activities
- Research on CDM policy development

General ICS-CDM Framework

Host Countries

Japan



Principles

Synergy, Simplicity, Sustainability

- (1) Synergy with other initiatives: avoid duplication and rather complement other initiatives
- (2) Simplicity: simply based on the needs of host countries, not impose framework made outside
- (3) Sustainability: emphasis on CB for sectors which contribute to environmental, social & community development: waste management, biomass energy, Small-scale (including RE)

Initial Needs Assessment for ICS

- Initial visit to India, Indonesia and Cambodia in August 2003
- Interviews with various stakeholders on their perspective on CDM-CB
- To look at:
 - CDM-CB initiatives by other donors
 - priority CB needs by various stakeholders
- To Find a gap to be addressed by ICS-CDM

General Findings, Needs and Gaps

- Level of capacity is different between countries and stakeholders.
- Many CB initiatives are there already but there is no coordination.
- Awareness and understanding is still limited within focal point entity.
- Even if general awareness is there, stakeholders don't have detail and practical knowledge of how to make CDM project proposals.
- State and provincial level awareness-raising and training is important, but still limited.
- CB Needs for developing CDM projects based on small scale industries at local level have not been addressed so far.
- “Potential” and expectation is there, but investors have not come
- Research on “bundling” of small projects and legal aspects of CDM is critical.

Country Specific Situation - Cambodia

- Government: Awareness is limited only within focal point government agency, and low among other stakeholders
- Industry: CDM potential in local small scale industry, Awareness-raising and training at local level by local language will help to understand CDM opportunity
- NGO/academia: Some active NGOs in waste management and RE, but not in CC-CDM context

Indonesia

- Government:
 - institutional capacity building of central government is relatively advanced, but awareness and detailed knowledge of CDM procedure is still limited within focal point government agency
 - decentralization is going on: CB for local government.
- Private sector:
 - practical training to make PDD
 - sector specific awareness-raising and training at local level
- NGOs/Academia: awareness-raising of local NGOs

India

- Government: awareness-raising of relevant ministries, municipality and local government is needed
- Private sector:
 - general awareness by many WS so far, but few projects materialized yet: practical training to know modalities & procedure and to assess benefit and risk of CDM project is needed
 - awareness-raising of financial institution is needed
 - country-wide potential of biomass, waste management, and RE: sector specific awareness-raising and training for small scale industries at local level is needed
 - “Potential” is there, but investors have not come: Linkage between investors and local entities should be made

Next Steps

Regional and sub-regional work plan:

- Plans to hold regional and sub-regional dialogues and workshops on CDM

Country-specific work plan:

- To be formulated in consultation with stakeholders from Oct. to Dec.
- Collaborating institutions with comparative advantages in performing specific CB tasks will be entrusted.
- Complementary to other CB initiatives
- From general awareness-raising to technical level “learning-by-doing” training
- CB vehicles: course materials in local language, local level training for trainers workshops, investors’ guide, e-learning, etc.
- Careful selection of target audience for effective CB delivery
- CB should not be treated as a one-shot event. Efforts will be made to make this initiative self-sustainable.
- Clear definition of expected outcomes and monitoring will be outlined.

Points for discussion

- Critical CDM-CB needs on regional and sub-regional levels
- Specific CDM CB priorities of representing countries in this Seminar
- Ideas on involving key policy makers
- Ideas on involving other stakeholders – businesses, NGOs and academia
- Ideas on promoting synergy among various CB initiatives