



ADB's Capacity Building Activities on CDM

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Outline of Presentation

1. ADB's consideration on climate change
2. Past activities
3. Present and future activities
4. ADB's CDM Facility
5. Capacity building for DNA

1. ADB's consideration on climate change

- Environment Policy (2002)
- Energy 2000 – Review of the Energy Policy (2000)
- Policy on Forestry (1995)
- Others (Water, Pacific, etc)

(available at the website)

2. Past activities

- ALGAS (1995-1999)
- Capacity Building for Implementation of the Kyoto Protocol and the CDM (1999-2000)

3. Present and future activities

REACH (interdepartmental program on Renewable Energy, Energy Efficiency, and Climate Change)

- (1) **Netherlands** Cooperation Fund for Promotion of Renewable Energy, Energy Efficiency (**PREGA**): \$5M
- (2) **Canadian** Cooperation Fund on Climate Change: \$3.2M
- (3) **Danish** Cooperation Fund for Renewable Energy, Energy Efficiency in Rural Areas: \$3.5M

3. Present and future activities

(1) Netherlands Fund (PREGA)

- (i) **Capacity building** so that **national technical experts (NTEs)** in each participating DMC can prepare full-scale financially viable REGA investment projects
- (ii) **Capacity building** to enable **financial institutions** in participating DMCs to appraise REGA investment projects
- (iii) Developing financing models for REGA investment projects

3. Present and future activities

(1) PREGA

- (iv) **Capacity building** for relevant **national and subregional policy makers** to facilitate dissemination of REGA technologies
- (v) **Capacity building** in selected **national and regional institutions** for strengthening the analytical and information base for preparing REGA projects

3. Present and future activities

(1) PREGA

- (vi) **Capacity building in designated government agencies, including preparation of model regulations, to enable them to evaluate and endorse GHG abatement projects to the GEF Council or CDM Executive Board for acceptance**

3. Present and future activities

(1) PREGA

- (vii) Undertaking and/or promotion of projects that demonstrate how to implement selected studies
- (viii) Identification of policy and institutional barriers faced by domestic manufacturers of equipment for REGA projects
- (ix) Promotion of CDM projects among the private sector, and facilitation of acceptance by the CDM Executive Board
- (x) Facilitation of GEF Council acceptance of the relevant investment projects

3. Present and future activities

(1) PREGA

- (xi) Encouraging development of REGA projects in ADB's country strategies and programs, by providing ITE and NTE services
- (xii) Information dissemination and promotional activities
- (xiii) Cooperation with bi-and multilateral programs in the area

3. Present and future activities

(1) PREGA: Output

- (i) Pre-F/S of investment projects
- (ii) Reports on policy and institutional barriers, and financing models for project

3. Present and future activities

(1) PREGA: implementation arrangement

- National/Regional workshops
- BAN, CAM, IND, INO, KAZ, KGZ, MON, NEP, PAK, PHI, PRC, SAM, SRI, UZB, VIE
- National Counterpart Agency (NCA)
- National Implementation Committee (NIC)
- National Technical Experts (NTE)

3. Present and future activities

(2) Canadian Fund: Objectives

- (i) Finance project preparation and capacity building through TA operation for the promotion of renewable energy and energy efficiency
- (ii) Assist projects with potential access to UNFCCC-related mechanisms, including GEF and CDM

3. Present and future activities

(2) Canadian Fund: Objectives

- (iii) Support activities consistent with the evolving international rules regarding the use of official development assistance in the CDM
- (iv) Support carbon sequestration and adaptation to climate change
- (v) Find TA projects for the provision of policy advice, project preparation, training, institutional support, and other TA and activities

3. Present and future activities

(2) Canadian Fund: Projects

Approved:

- (i) Opportunities for the CDM in the Energy Sector in the PRC
- (ii) Climate Change Adaptation Program for the Pacific Islands (CLIMAP)
- (iii) Carbon Sequestration thru CDM in INO

Under consideration:

- CDM Capacity Building for Indian Renewable Energy Development Agency

3. Present and future activities

(3) Danish Fund: Objectives

- (i) Finance TA including project preparation, training and advisory services, and institutional support
- (ii) Support activities on renewable energy in rural areas and small towns
- (iii) Focus on increased energy efficiency and cleaner fuels

3. Present and future activities

(3) Danish Fund: Activities

- (i) Institutional development/capacity building on REGA technologies in rural areas
- (ii) Development of support services such as norms and standards, certified skills, information, and maintenance
- (iii) Pilot projects designed to disseminate renewable energy

3. Present and future activities

(3) Danish Fund: Activities

- (iv) Awareness, capacity development, and pilot activities to minimize adverse effects of cook stoves
- (v) Regional dissemination of “best practice” and new approaches developed under the program
- (vi) Capacity building for country/ regional assessments and strategies for GHG abatement

3. Present and future activities

(3) Danish Fund: Approved Projects

- (i) Renewable Energy and Energy Efficiency Program for the Pacific (REEP)
- (ii) Renewable Energy Development for Poverty Reduction in AFG
- (iii) Renewable Energy Development in small towns and rural areas in MON
- (iv) Power Welfare Scheme in INO

3. Present and future activities

- (3) Danish Fund: Projects under consideration
 - (i) Small Hydropower Plants (CAM)
 - (ii) Rehabilitation of Renewable Energy Projects for Rural Electrification and Livelihood Development (PHI)
 - (iii) Sustainable Energy Sector Development in Small Towns (UZB)
 - (iv) Mini-Hydropower Plants (VIE)

4. ADB's CDM Facility

Functions:

- (i) Assist DMCs in sourcing funds for ER
- (ii) Assist in processing CDM requirements for identified projects including small-scale CDM projects through private sector operations or other intermediaries
- (iii) Provide information and advice on CDM project processing, including a draft model purchase agreement

5. Capacity building for DNA

(1) Function of DNA

- Issuance of national CDM permits

(2) Possible functions of DNA

- Establishment of guidelines and procedures for permits
- Promotion of CDM projects
- National clearinghouse

5. Capacity building for DNA

Capacity building activities for DNA by ADB through:

- PREGA (NIC, NTE, workshops, country report, pre-F/S, etc)
- Specific projects prepared under REACH
- Cooperation with CDM Facility of ADB

5. Capacity building for DNA

PRC: Opportunities for the CDM in the Energy Sector (\$0.975M)

- GLs for SS-CDM activities and an action plan detailing strategies to promote them
- Four GHG reduction project designs that could be eligible for CDM financing
- An institutional assessment report
- Dissemination materials for TA findings

MOST will be the EA. SEPA will be kept fully involved.

5. Capacity building for DNA

INO: Carbon Sequestration through CDM (\$0.875M)

- Review of previous studies and synthesis of lessons learned on carbon sequestration as applicable under CDM
- Position paper on CDM-carbon sequestration projects
- Evaluation and simulation of LULUCF in at least two pilot areas
- Demonstration of the processes involved in earning CERs through carbon sequestration:
Institutionalizing DNA

5. Capacity building for DNA

INO: Carbon Sequestration through CDM
(\$0.875M)

- (5) Documentation and dissemination of the processes for earning CERs
- (6) Preparation of sustainable forest development strategies for the pilot districts

MOE will be the EA.

5. Capacity building for DNA

REG: Renewable Energy and Energy Efficiency Program for the Pacific (\$0.75M)

- Review/ consultation/ dissemination on lessons from past assistance
- Action plan for the adoption of appropriate policies, institutional arrangements, legal/regulatory measures, and financial schemes
- Training needs analysis and curricula
- Pipeline of projects for funding by ADB, GEF and/or other relevant financing sources
- Final consultations and dissemination



Thank you!