

CDM-EB79-AA-A04

Status of the CDM regional collaboration centres initiative

Version 01.1



United Nations
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Climate Change

COVER NOTE

1. Procedural background

1. At its seventy-first meeting, the Executive Board of the clean development mechanism (CDM) requested the secretariat to provide regular updates to the Board on status of the Regional Collaboration Centre (RCC) Initiative. During 2013, the Board received three updates at its seventy-second, seventy-fourth and seventy-sixth meetings.
2. This note is the first report for 2014 and covers the activities undertaken up to the first quarter of this year.

2. Purpose

3. The purpose of this document is to provide a status report on the activities of the RCCs and update information provided in the reports presented at previous Board meetings.

3. Key issues and proposed solutions

4. The RCC Initiative was launched with the aim of providing direct support to project developers in underrepresented regions. The RCC approach aims to provide short- to medium-term interventions that provide a long-term and sustainable impact. It is expected that the interventions will build local capacity that does not need the continuous presence of UNFCCC staff.

4. Impacts

5. The main beneficiaries are CDM stakeholders who receive direct support in developing CDM projects, standardized baselines and PoAs. In the long term it is expected that this initiative will guarantee strong and structured interaction between the secretariat and stakeholders.

5. Subsequent work and timelines

6. A more comprehensive report of the RCC initiative and its impact in promoting CDM activities, including a financial report, will be presented at eightieth meeting of the Board.

6. Recommendations to the Board

7. The secretariat recommends that the Board take note of this report.

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1. Introduction

1. This fourth progress report on the Regional Collaboration Centres (RCCs) provides information on the implementation of the RCC to date and the main results achieved. A more comprehensive analysis of the impact and finances of the RCC Initiative will be presented in conjunction with the mid-term review of the management plan at the eightieth meeting of the Executive Board of the clean development mechanism (CDM).

2. Purpose and focus areas

2. The work plan of each centre is tailored to the needs of each region of operation. However, in broad terms, the initial objectives and activities of the centres can be grouped into the following categories:
 - (a) Establishment of the centre, including creation of networks and partnerships;
 - (b) Direct support to existing and potential future projects and programmes of activities (PoAs), where relevant in collaboration with partner agencies;
 - (c) Direct support to the development of standardized baselines (SBL), where relevant in collaboration with partner agencies;
 - (d) Outreach activities to increase awareness about the CDM.

3. Outcomes and achievements

3. With the current RCCs having now been operational for just over or approaching one year, the RCCs are well established and in the process of consolidating and refining their work. Despite challenging market conditions, the RCCs have identified and supported a wide range of projects and PoAs and have met targets for progressing projects in the pipeline. There has been a significant impact on the ground and local stakeholders already recognize the RCCs as a major partner for CDM development in their regions.
4. The presence on the ground has attracted interest from the partner organizations themselves and outside. In particular, many donor agencies operate in the region and have access to significant funds. An increasing focus of the RCCs has been to collaborate with such agencies to ease their identification of projects and their flow of funds, including through certified emission reductions (CER) purchases. This will become more important in the future as projects and PoAs in the regions proceed through the CDM project cycle.
5. The centres have significantly raised the visibility of the CDM and enhanced the information gathering potential of the secretariat. Capitalizing fully on this development, in conjunction with other developments under the CDM, will be necessary in fully realizing the benefits of the RCC infrastructure.
6. The results have been welcomed by the RCC Global Forum, which periodically brings representatives of the host partners together with the secretariat to consider issues common to all RCCs. In keeping with the continuing need to further refine the centres' work, the Forum has focused on the need to further strengthen the infrastructure supporting the RCCs, including through improved information sharing, additional

communication activities to highlight the achievements and potential of the centres, greater profiling of the RCCs' work among development and other donor agencies, including under the Nairobi Framework, and stronger engagement with the private sector and sources of demand for CERs.

7. The main results achieved in the **fivefour** areas referred to in paragraph—**92** are presented in the following sections.

3.1. Establishment of the centres

8. Currently there are four operational centres, the status of which is indicated in table 1. Regarding a fifth centre to support the Asia-Pacific region, following discussions at the seventy-sixth meeting of the Board, the secretariat is in discussion with potential partners.

Table 1. Operational status of the RCCs

Location	Partner	Operational since
Lomé, Togo	West African Development Bank (BOAD)	January 2013
Kampala, Uganda	East African Development Bank (EADB)	May 2013
St. George's, Grenada	Windward Islands Research and Education Foundation (WINDREF)	July 2013
Bogotá, Colombia	Andean Development Corporation (CAF)	August 2013

3.2. Direct support to projects and programmes of activities

9. The RCCs have provided direct support to a wide range of CDM projects and PoAs and have been effective in ensuring that they move through the CDM project cycle. As shown in table 2, the four RCCs have provided direct support to representatives of nearly 200 individual projects and PoAs that, despite the current market conditions, wish to move ahead with existing CDM activities, resulting in 51 such activities moving forward in the project cycle as of 31 March 2014.
10. The location of the RCCs in the regions allows the support to be provided in a continuous manner to project participants and designated national authorities (DNAs) in a manner that is targeted to local circumstances. Stakeholders have welcomed the initiative positively as it gives the important message that the secretariat and the Board are proactively supporting them in a period of uncertainty.
11. The RCCs are strengthening the network of local contacts and this is leading to improvements in the secretariat's information resources. The secretariat now has detailed project-level information on the progress of individual activities and the barriers faced during their development. This enables the secretariat to better predict the potential supply of the CDM and to propose revisions to standards and procedures in a manner that is supportive of the activity types needed to improve the mechanism's contribution and reputation. This aspect has been already recognized by other international agencies operating in the regions, which are now selecting the RCCs as a key partner in supporting CDM activities.

Table 2. Status of project activities supported by the RCCs

	RCC Lomé		RCC Kampala		RCC St. George's		RCC Bogotá	
Projects		%		%		%		%
Total number of project activities	210	100%	668	100%	71	100%	1034	100%
Projects contacted	177	84%	269	40%	71	100%	998	97% ¹
Breakdown projects contacted								
Projects found inactive	42	24%	64	24%	59	83%	0	
RCC pipeline	135	76%	205	76%	12	17%	998	100%
Supported by RCC	49	28%	77	29%	10	14%	53	5%
RCC projects progressed in CDM project cycle	18	10%	16	6%	5	7%	12	1%

12. Nearly 100 potential additional activities ("leads") have also been identified where participants wish to make progress in bringing their activities to the CDM. Follow-up actions have resulted in 41 activities entering the prior consideration stage (table 3).
13. This has been achieved through direct on-site support and capacity building activities that have addressed specific technical gaps such as project design document (PDD) writing. The delivery of these activities is often undertaken in synergy with partner organizations mobilizing significant additional resources (funds, expertise and staff) in support of CDM activities.
14. It appears that the RCCs have played a key role in revitalizing the CDM sector in RCC regions, particularly in Africa and the Caribbean. The CDM potential is dispersed in these regions but still remains and is being catalyzed and moved forward. This has been recognized by potential donors and buyers (e.g. World Bank Ci-Dev, NEFCO, Swedish Energy Agency, KfW Foundation Future of the Carbon Market), which are all working closely with the RCCs in identifying and supporting new project activities.
15. RCC Lomé has been particularly active in developing new leads, with 27 new projects/PoAs entering the CDM pipeline. As an example, in the case of one regional biodigester programme, RCC Lomé has assisted the programme enter into the CDM pipeline by providing direct technical assistance and advice on regulatory matters, identifying funding opportunities to cover the CDM transaction costs and facilitating the approval of the fraction of non-renewable biomass (fNRB) by the DNA.

Table 3. New project leads entering into the pipeline

	RCC Lomé	RCC Kampala	RCC St. George's	RCC Bogotá
Potential CDM project leads identified	38	32	25	4
Projects leads that advanced into pipeline	27	5	5	4
Percentage of leads entering into pipeline	71%	15%	20%	100%

¹ RCC Bogotá contacted all project participants and CMEs of registered CDM projects and PoAs by means of an on-line survey.

3.3. Direct support to the development of standardized baselines

16. The support to the development and submission of SBLs has been enhanced by the presence of the RCCs, which are assisting project developers and DNAs by providing technical advice and developing capacity. As a result, half of the proposed standardized baselines submitted so far have received direct support from an RCC. As indicated in table 4, over 40 proposed standardized baselines are being developed. The demand for support in this work area is high across all four centres.
17. The RCCs are contributing to the development of grid emission factors for a majority of African and Latin American countries, thus providing a factual foundation for the monitoring and reporting of mitigation action in the renewable energy and energy efficiency sectors in these regions.
18. The RCCs are also playing an important role in feeding locally gathered information to the secretariat. In one case, project developers in the Caribbean region reported to RCC St George's that the current tool to calculate the grid emission factor (GEF) hinders the implementation of CDM projects in small islands. RCC St George's is now working with the wider secretariat to identify alternative ways to calculate the GEF in these countries. A similar example is Cabo Verde where RCC Lomé has assisted in initiating a process to develop a SBL for the power sector (GEF). RCC Lomé assisted the DNA in solving numerous issues to complete of the SBL within a very short time frame.
19. Information and contacts provided by the RCCs has also proven valuable in helping to identify priority areas for the top-down development of SBLs. In this context, RCC Bogotá is helping the development of SBLs in the transport sector in Latin America, generating technical knowledge to use in other regions exploring similar opportunities for SBLs. For example, Ghana has shown interest in a top-down SBL in the transport sector being developed.

Table 4. SBLs currently supported by the RCCs including those submitted in brackets

Measure	RCC Lomé	RCC Kampala	RCC St. George's	RCC Bogotá
National/regional GEF	8	5	8	5
Cookstove	4	1		
Methane destruction	6	2	10	3
Transport				3
Agriculture				1
Industry		1		
Charcoal	1			
Total	19 (2)	9 (1)	18 (1)	12 (0)

4. Outreach

20. The RCCs are playing an important role in promoting the CDM. RCC staff has reached a total of 79 countries through attending events, meeting key stakeholders, holding interviews with the media, participating in documentaries and giving presentations. The RCCs have also launched press releases and media campaigns, issued a newsletter in French, and held seminars in local universities and with civil society. These efforts are

preserving the perception of the CDM as a viable carbon market mechanism, raising interest on climate change issues and engaging actors at technical and political levels.

21. The RCCs have also been able to trigger interest from several institutions to co-organize events for the promotion of the CDM. The presence of the RCCs in the regions enables key participants to be identified, making the events themselves very effective and building local capacity. Examples are the training on PoA monitoring in Uganda and South Africa organized by RCC Kampala, which was able to resolve specific technical issues faced by project developers and government officials. Other examples are offered by the launch of matchmaking events in West Africa (Cameroon and Togo), where private and public financial institutions are brought together with project developers. Such events have attracted additional financial resources from other agencies such as KFW, the Belgian Technical Cooperation, UNEP and GIZ.
22. As another example, RCC Bogotá launched an online survey among project participants in Latin America and received important feedback that there is still an interest in continuing with the CDM once the carbon market emerges from the current crisis. The survey also collected valuable inputs on the priorities to further strengthen the CDM. These included the need for simplifying and accelerating the CDM cycle for specific project categories, a revision of the requirements for the demonstration of additionally, and additional role and functions for DNAs.

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Document information

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