

**CDM-EB70-AA-A07**

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# Report on secretariat activities for enhancing regional distribution of CDM project activities

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

## **COVER NOTE**

### **1. Procedural background**

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its seventh session, through its decision 8/CMP.7, requested:
  - (a) The Executive Board of the clean development mechanism (the Board) to continue promoting the equitable distribution of project activities;
  - (b) The secretariat, in consultation with the Board, including through working with the Designated National Authorities Forum (DNA Forum) and the partner agencies of the Nairobi Framework, to enhance its support for countries underrepresented in the clean development mechanism (CDM), in particular the least developed countries (LDCs), small island developing States (SIDS) and African countries, by providing support, subject to workload and the availability of financial resources in specific technical areas of CDM;
  - (c) The secretariat to accelerate the operationalization of the loan scheme and to report to the CMP at its eighth session on these arrangements and its oversight of the implementing agency.

### **2. Purpose**

2. To inform the Board, the CMP and the public about the activities undertaken by the secretariat including in collaboration with the Nairobi Framework partners and cooperating organizations to promote the regional distribution of the CDM.

### **3. Key issues and proposed solutions**

3. The report includes the main activities undertaken by the secretariat including with the Nairobi Framework partners and cooperating organizations during 2012.
4. Highlights include the operationalization of the CDM Loan Scheme, the launch of the CDM and the DNA Help Desks to provide reactive and proactive support to eligible countries, and the organization of multiple global and regional events to enhance the capacities of stakeholders to develop CDM project activities and programme of activities (PoAs), with a focus on Africa, LDCs, SIDS, and countries with less than 10 registered project activities

### **4. Impacts**

5. Stakeholders of the CDM, including designated national authorities (DNAs), designated operational entity (DOEs), coordinating and managing entities of PoAs, and project developers have benefited from events held to build capacity on additionality of microscale project activities, suppressed demand, standardized baselines, and PoAs, among the main topics. They also benefited from interactions and knowledge exchange completed in the framework of several events.

6. Stakeholders will continue to benefit from the services provided by the CDM and DNA Help Desks, the CDM Loan Scheme, and the training materials made available during the training events.

## **5. Proposed work and timelines**

7. The activities reported in this information note have been already delivered or are in progress as specified.
8. The CDM and DNA Help Desks, as well as the CDM Loan Scheme, will continue to be implemented during 2013.
9. Further capacity building events are being planned by the secretariat for 2013, to cover the latest developments in the CDM regulatory framework and strengthen capacity in the existing framework. Those activities are part of the CDM management plan (CDM-MAP) 2013.
10. The Nairobi Framework partners and cooperating organizations will continue to provide support through the Africa Carbon Forum and other initiatives in 2013. Details of activities carried on by other partners will be presented to the Board in early 2013

## **6. Budget and costs**

11. The budget allocation for the activities carried-out were part of the CDM-MAP 2012.
12. The budget allocation for capacity-building events and direct support to stakeholders are contained in the draft CDM-MAP 2013 process.

## **7. Recommendations to the Board**

13. The secretariat recommends the Board to take note of the report and the activities undertaken by the secretariat in 2012.

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# 1. Introduction

## 1.1. Background

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its seventh session, through its decision 8/CMP.7, requested:
  - (a) The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) to continue promoting the equitable distribution of project activities;
  - (b) The secretariat, in consultation with the Board including, through working with the Designated National Authorities Forum (DNA Forum) and the partner agencies of the Nairobi Framework, to enhance its support for countries underrepresented in the clean development mechanism, in particular the least developed countries (LDCs), small island developing States (SIDS) and African countries, by providing support, subject to workload and the availability of financial resources, for, inter alia, the following:
    - (i) Skills enhancement and training to assist designated national authorities, applicant and designated operational entities and project participants with regard to technical matters related to the CDM;
    - (ii) Institutional strengthening through, inter alia, support to designated national authorities in the development and submission of standardized baselines and microscale renewable energy technologies that are automatically defined as additional;
    - (iii) Activities of designated national authorities and stakeholders in the implementation of the guidelines on standardized baselines and suppressed demand through system development and application;
  - (c) The secretariat to accelerate the operationalization of the loan scheme and to report to the CMP at its eighth session on these arrangements and its oversight of the implementing agency.
2. In line with these mandates from the CMP, the Board in its CDM management plan (CDM-MAP) has planned to carry-out those capacity-building activities through three projects in the CDM-MAP 2012.
3. Those projects are:
  - (a) Empowering designated national authorities (DNAs) to take a proactive role in the evolution and implementation of the mechanism;
  - (b) Implement direct support for project development in underrepresented regions;
  - (c) Improve co-ordination of activities related to regional distribution, including through the Nairobi Framework partnership;
  - (d) Operationalize the CDM loan scheme.

## **1.2. Scope**

4. This report is to inform the Board about the activities that the secretariat has carried-out, including those performed in collaboration with the Nairobi Framework partners (NFP), during the 2012 in order to continue the promotion aimed at enhancing the regional distribution of CDM.
5. Capacity building activities carried out by the secretariat including training and direct support are summarised, including those carried-out in collaboration with the Nairobi Framework partners. An update on the CDM loan scheme is also provided.
6. Other activities carried-out independently by the NFP will be reported to the Board early 2013 once data from partners is received.

## **2. Capacity-building activities**

### **2.1. Training activities and workshop**

#### **2.1.1. Training activities and workshops carried out by the secretariat**

7. Secretariat undertook a number of training interventions during the year on issues of significant relevance to DNAs especially in the areas of programmes of activities (PoAs), standardized baselines, suppressed demand and microscale additionality.
8. A global DNA training on PoAs was organized by the secretariat in March, in Bonn, in which DNAs from all regions participated. The latest developments on PoA regulations were presented, and DNAs had the opportunity to discuss and share experiences among themselves and with project developers. The training was very well received by DNAs who requested to have frequently such trainings and especially as the regulations related to PoA is in constant evolution.
9. The secretariat has also delivered three trainings for DNAs on the topics of microscale additionality, standardized baselines and suppressed demand.
  - (a) Regional DNA Training for Africa in April in Addis Ababa, Ethiopia. 39 DNAs attended the training, represented by 78 delegates.
  - (b) Regional DNA Training for Latin America and the Caribbean in October in Belize City, Belize. 19 DNAs attended the training, represented by 32 delegates.
  - (c) Regional DNA Training for Asia, the Pacific, and Eastern Europe in July in Manila, Philippines. 30 DNAs attended the training, represented by 57 delegates.
10. Although the three trainings substantially covered the same technical topics, their delivery differed from one region to the other taking into account the local specificities and more importantly drawing from the experience learnt in delivering previous trainings. The trainings were organised into plenary sessions where the theoretical concepts were introduced, followed by break-out sessions where participants had the opportunity to work on practical case studies. The trainings provided also opportunities to interact with project developers, and for sharing of experience between the DNAs themselves. DNAs were also informed about available technical and financial support from the secretariat and the Nairobi Framework Partners to help them promote the CDM in their countries.

11. The secretariat also organised a one day workshop back to back with the regional DNA training for Latin America and the Caribbean. Its objective was to guide DNAs through hands-on exercise where they could use data from their countries and where they could learn, in a step by step fashion, how to prepare submissions of proposed standardized baselines for landfill gas destruction and energy efficiency in the power generation sector. In the first case, the DNAs received capacity building that will allow them to start preparation of the standardized baseline immediately, if they so desire. Many of them, at the end of the training had the submission form ready and all necessary information. In the latter case, they received specific guidance on the procedure and requirements to prepare such a baseline, in order to facilitate their work in real cases.
12. The secretariat is also developing an online training course on additionality of small-scale and microscale project activities. The course is aimed at DNAs, but can be expanded to other stakeholders. It will allow DNAs from non-LDCs and non-SIDS to easily develop recommendations for automatic additionality of specific microscale renewable energy technologies. It also trains DNAs from LDCs and SIDS by providing information of the project activities that are already additional in their countries. The course will be available by end of November. The development of the module is in review stage and it is planned to go live (on-line) by the end of November via an on-line Learning Management System (LMS) platform.

#### **2.1.2. Training activities and workshop carried in collaboration with the Nairobi Framework partners**

13. The secretariat in collaboration with NFP has carried out many workshops and training activities targeting both DNAs and other stakeholders especially project developers and coordinating and managing entities (CMEs). Collaboration with the NFP during these events allowed targeting the efforts of the partners and avoided duplications which allowed carrying more targeted support and better coverage.
14. The DNA training in Addis Ababa, Ethiopia, was followed by a joint workshop with the World Bank, on opportunities for accessing carbon finance for rural energy sector projects in the continent. In addition to 78 DNA delegates, 50 additional delegates from power utilities and other relevant institutions attended the joint workshop.
15. The fourth African Carbon Forum was held in Addis Ababa, Ethiopia, with collaboration from the World Bank, UNDP, URC, AfDB, UNECA (ACPC), IETA, and the secretariat, supported by the Government of Ethiopia. Approximately 750 participants represented government institutions including DNAs, and ministries of environment, energy and finance; project developers; CDM consultants; designated operational entities (DOEs); non-governmental organizations (NGOs); and the general public.
16. Two sub-regional trainings for CMEs of PoAs were organized by UNDP and the UNFCCC secretariat. They were held in Senegal and Angola respectively in July and October 2012. Potential CMEs were trained on the benefits and requirements of PoAs, to promote the use of this approach in the continent. Approximately 40 potential and existing CMEs and DNAs attended the events.
17. The third Joint Workshop on Enhancing the Regional Distribution of CDM projects in Asia and the Pacific was held by ADB, IGES and the UNFCCC secretariat in Manila, Philippines, with collaboration from URC. The workshop aimed to increase the number of CDM projects in countries with fewer than 10 registered CDM projects across the Asia

Pacific, and was attended by project developers, DNA representatives, designated operational entities and CDM consultants with regional representation, among key stakeholders. A total of 182 participants from 35 countries joined the event.

## **2.2. Direct support through CDM and DNA help desks**

18. Based on the experience learnt from organisation of capacity building events and interaction with DNAs, it was concluded there is a need for direct support and assistance to DNAs and project developers in under-represented countries especially, LDCs, SIDS and Africa. The secretariat has therefore developed and implemented two help desks: DNA and CDM help desks.

### **2.2.1. DNA help desk**

19. The DNA help desk was launched in August 2012. It supports DNAs in the development of submissions under three technical areas:
  - (a) Standardized baselines;
  - (b) Grid emission factors;
  - (c) Additionality of micro-scale project activities.
20. The help desk is designed to provide support on the above mentioned areas both via answering questions and providing clarifications to DNAs and more importantly via assisting them in the submission of proposals of standardized baselines (SBs), GEF and positive lists for microscale additionality.
21. This help-desk has both proactive and reactive functions. The reactive function aims at providing responding to any request for support by the DNAs. Via the proactive function, secretariat contacts DNAs and offers support and assistance in the targeted areas. The experience so far with this help desk shows a lack of reactivity from DNAs in responding to secretariat solicitations to assist them. However some of the interested DNAs have shown a lot interest and collaboration with them has been excellent.

#### **2.2.1.1. Calculation of Grid Emission Factor**

22. Currently, work is under way for the calculation of grid emission factors for Uruguay, Uganda and Sri Lanka. These three projects are in the stage of collecting grid/electricity data from the relevant DNAs. This task has proven to be a challenge as the time taken for DNAs to provide the DNA Help Desk the data needed is longer than planned.

#### **2.2.1.2. Microscale additionality**

23. Secretariat has contacted 10 DNAs via the proactive function of the help desk to offer support in submitting recommendations for microscale renewable energy for automatic additionality. Only the DNA of Pakistan has expressed its interest and work is underway to provide the required support. The secretariat is currently in the process of identifying further DNAs that could benefit from the support offered.
24. A DNA user guide for the submission of microscale additionality has also been developed. It is targeting mainly non-LDCs/SIDS DNAs as It explains step by step and in simple terms the process of submitting a recommendation of renewable energy



technology for automatic additionality. It also provides information to LDCs and SIDS in a simplified manner about microscale projects that are automatically additional in those countries. The guide was developed as a response to the feedback and requests received during the DNA training in Manila that expressed the need for such a guide. The guide has been communicated to some DNAs (Pakistan DNA and participants of the Latin America and Caribbean training) in order to get feedback before its finalisation. The final version will be ready by December 2012.

#### **2.2.1.3. Standardized baselines**

25. The DNA Help Desk has also proactively approached six DNA with an offer to assist with the development of standardized baselines. DNA of Colombia has accepted the offer and the DNA Help Desk is preparing advice on establishing a QA/QC system for establishing a standardized baseline for the brick production sector.
26. During the Latin America and the Caribbean workshop, DNAs have been asked to bring information about their regulation related to the waste sector. The information brought allowed the DNAs to prepare with the assistance of the secretariat in a hands on exercise draft submission of standardised baselines for methane destruction. Most DNAs expressed their wiliness to submit soon this standardised baseline for their countries.

#### **2.2.2. CDM help desk**

27. The CDM Help Desk was created as part of this activity to improve regional distribution of the CDM and to better enable under-represented countries to realise the benefits of the CDM. The CDM Help Desk is targeted to CDM project participants, developers, coordinating and/or CMEs, DNAs and DOEs to get reliable and timely information from the secretariat on issues regarding their CDM projects. The Help Desk is also available to stakeholders in Africa, LDCs, SIDS and countries that had 10 or fewer registered CDM projects as of 31 December 2010. The CDM Help Desk is open to any query regarding projects from targeted countries, so long as the project is in the process of validation or verification.
28. The CDM help desk aims at:
  - (a) Providing direct support to projects in underrepresented regions and countries. This support includes;
    - (i) Providing clarifications and advise on technical issues faced by the project or programme;
    - (ii) Providing clarifications on the CDM rules;
  - (b) Making recommendations to the executive Board on how to alleviate barriers face by project activities in those underrepresented regions including recommendations for revision of the regulatory framework.
29. The help desk comprises two major functions:
  - (a) Proactive: Will scrutinize a sample of CDM projects and programmes under validation and verification through contacting directly project participants (PPs) and CMEs, investigate the major difficulties and provide clarifications with the

intent to help to identify and try to alleviate barriers faced by PPs and CMEs in countries under-represented in the CDM in an efficient manner; and

- (b) Reactive: Address inquiries through a dedicated interface (e-mail and telephone number) and designated responsible professional staff.
30. So far there are more than 40 queries that have been processed; these originated from Africa, Latin America, Asia, and from countries with less than 10 registered CDM activities. The queries vary from technical, procedural, specific to project activities and general queries.

### 3. CDM loan scheme

31. Following a procurement process, the secretariat selected the United Nations Office for Project Services (UNOPS) as implementing agency for the loan scheme, in October 2011. The Memorandum of Understanding with UNOPS was signed on 23 March 2012. The CDM Loan Scheme was officially launched on 18 April 2012, during the fourth Africa Carbon Forum in Addis Ababa, Ethiopia. The first loans approved and committed by UNOPS as a result of the first window for application for loans amounted about three Million USD\$ for 23 project activities mostly PoAs.
32. A second window of applications was closed and applications are being assessed by UNOPS. A final decision on approved loans will be made in November.
33. The loan scheme has been very popular and the funds available for its operationalization are getting exhausted very rapidly. Therefore a need for contributions from donors is becoming crucial. Secretariats in collaboration with UNOPS are starting to plan fund raising activities.

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#### Document information

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