

INTERNATIONAL WORKSHOP ON CARBON MARKETS IN EMERGING ECONOMIES

University of São Paulo, 22 November 2010

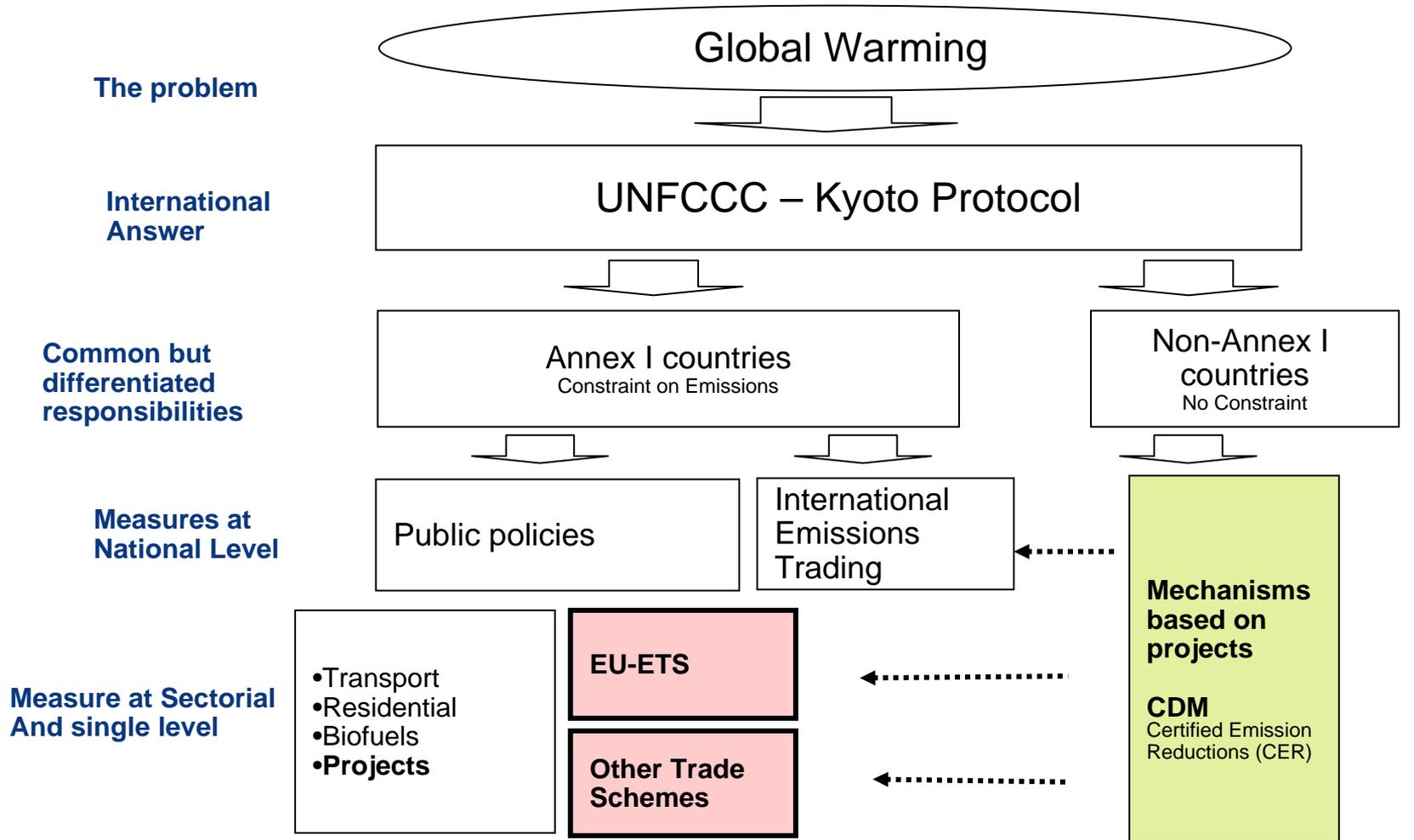
Capacity Building for CDM process and the UNEP Risoe Centre contributions

Mauricio Zaballa Romero
Energy & Carbon Finance
UNEP RISØ CENTRE

<http://uneprisoe.dk>



The carbon markets – a cost –efficient option to reduce GHG emissions



Different assets

- EU ETS trades EUA – European Union Allowances
- CDM (Clean development mechanism) generated CER (Certified Emission Reductions)
- IET (International Emission Trading Scheme trades AAU (Assigned Amount Units)

Capacity Building under the CDM



Capacity Building – A need to implement the UNFCCC

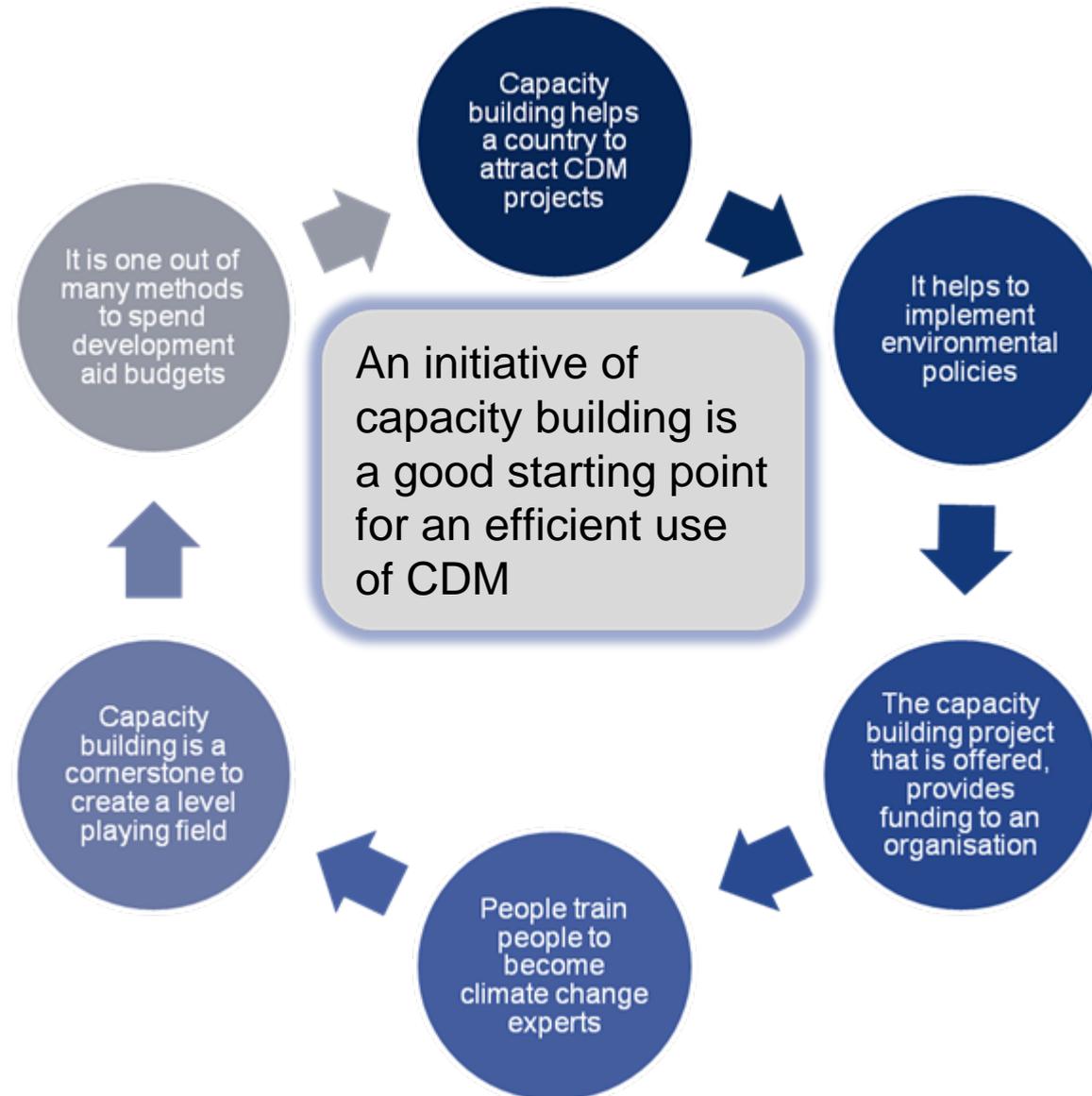
Multi and bilateral cooperation development agencies prioritize the CB for the Environment in their own cooperation Agenda and endorse at political level the necessity to adopt a systematic approach in this process

● Agenda 21,
UN, 1992

● Art. 5 (b) & (c)
of the
UNFCCC

● Art. 10 (e)
Kyoto
Protocol

Capacity Building in the CDM – what for?



Capacity Building for CDM – why?

- CDM asymmetries in the carbon markets
 - High transaction costs – service providers
 - Project scale & annual issuance of CERs
 - Knowledge gaps between buyers and sellers
 - Lack of CDM experts at national level
 - Limited or reduced budget for the DNAs operational
 - The need to have a national entities could group or play the role of “Coordinating Entities” for Programmatic CDM
- The different institutional requirements for the project CDM lifecycle (DNA, DOEs for validation and for verification)
- Limited access to finance
 - Some brokers have limited CDM knowledge
 - The country risk to attract investments



Capacity Building – from who and what for?

CDM Project lifecycle	Needs of knowledge
Project identification and PIN and PDD elaboration	<ul style="list-style-type: none"> • Training for local consultants • Diffusion and CDM promotion • Elaboration of national CDM portfolio
National Approval	<ul style="list-style-type: none"> • Appropriate national and institutional framework • Approval procedures • Appropriate regulation for the country • SD criteria for CDM projects
Validation and Register	<ul style="list-style-type: none"> • Procedures for the DOEs • Requirements and institutional arrangements – EB • To reduce the time for validation and registration of CDM project
Project Finance and ERPAs	<ul style="list-style-type: none"> • CB for local brokers or financing institutions • The role of differentiate players in the CDM process • To support the participation at different events and carbon trading conferences or forums • Design tools and strategies for promotion of CDM project portfolio • National Investment Guide for CDM • CB or training for specilists in law (attorneys)
Project Monitoring	<ul style="list-style-type: none"> • Monitoring methodologies
Verification and Certification	<ul style="list-style-type: none"> • Procedures
Issuance of CERs	<ul style="list-style-type: none"> • Procedures and requirements

Capacity Building – Done by whom?

World Bank Create
partners for the
Prototype Carbon Fund

Dutch government
Creates supply for the JI
and CDM procurement
programmes

Austrian, Danish,
Belgian, Finnish,
governments Create
supply for JI and CDM
procurement
programmes

World Bank CF Assist
Support host countries
to benefit from flexible
mechanisms

UNDP Promote
sustainable
development

Bilateral initiatives
Support trade and
investment

UNEP-RISØ CD4CDM,
ACP-MEAs
promotes and facilitates
CDM Investment in host
countries

Capacity Building in CDM – for abilities and procedures

Government

DNA establishment

To formulate and implement the procedures for CDM approval

CDM promotion

Private Sector

Project identification

PIN and PDDs formulation

Understanding the ERPAs

Negotiation skills

'Capacity building for CDM – It has reach its end?

Forestry projects (AFOLU) : avoiding deforestation (REDD), improved forestry management (IFM), Afforestation/ reforestation (A/R)

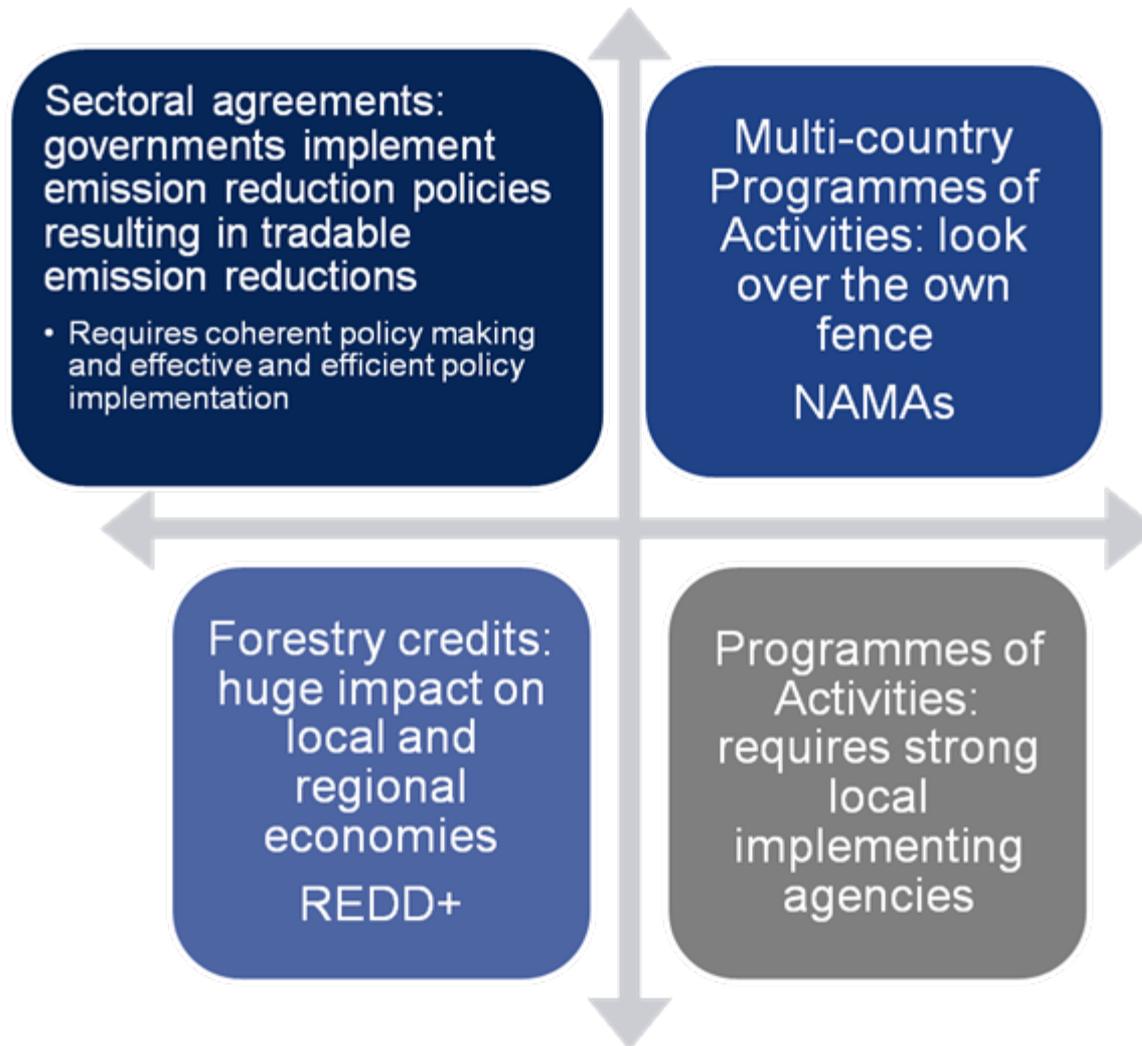
Programmes of Activities (POAs), single country and multi country

Sustainable Development Policies and Measures (SD-PAMs)

Unaddressed project types: buildings, transport, energy efficiency

Sectoral CDM, Sector No Lose Targets (SNLTs)

Expanded Flexible Mechanisms will require better and improved capacities



Future challenges for capacity building process

More attention
on public
policies in the
developing
countries

Less attention
on the single
projects

More
complexity and
long term
vision

URC's energy and carbon finance program

policy analysis and capacity development to facilitate the transition towards low carbon societies

Core Objectives

- Facilitate more efficient, sustainable and equitable transactions
- Foster more equitable regional distribution of CDM benefits
- Strengthen emerging sectors in CDM and pilot new approaches
- Provide knowledge and promote skills sharing, facilitate networking

URC's energy and carbon finance program

Key activities

- Structured, country-level capacity building programs
- Regulatory advisory, DNA/ institutional capacity building
- Targeted, hands-on workshops & training sessions
- Analytical work (guidebooks; market surveillance and analysis & targeted research)
- Promotion Activities – organization/participation in regional/global carbon events
- Facilitation of information management – web-based tools.
- CDM Bazaar

Key projects

- UNEP/EU ACP -CD4MEAs - CDM
- CD4CDM
- Carbono 2010 (jointly programme with UNDP)
- CDM Green Facility
- UNDP/UNEP in Africa
- UNDP/UNEP in LAC
- CASCADe
- ACAD
- UNEP POA Facility (new)



UNEP CDM capacity development program

Institutional Capacity Development

Core business & regulatory frameworks for CDM investment

Modalities & Procedures for CDM projects approval

Promote commitment of policy makers

Individual Capacity Development

CDM workshops and training sessions for selected target audience

Guidance and guidebooks (CDM investor guidebook)

Identify, assess and formulate CDM projects

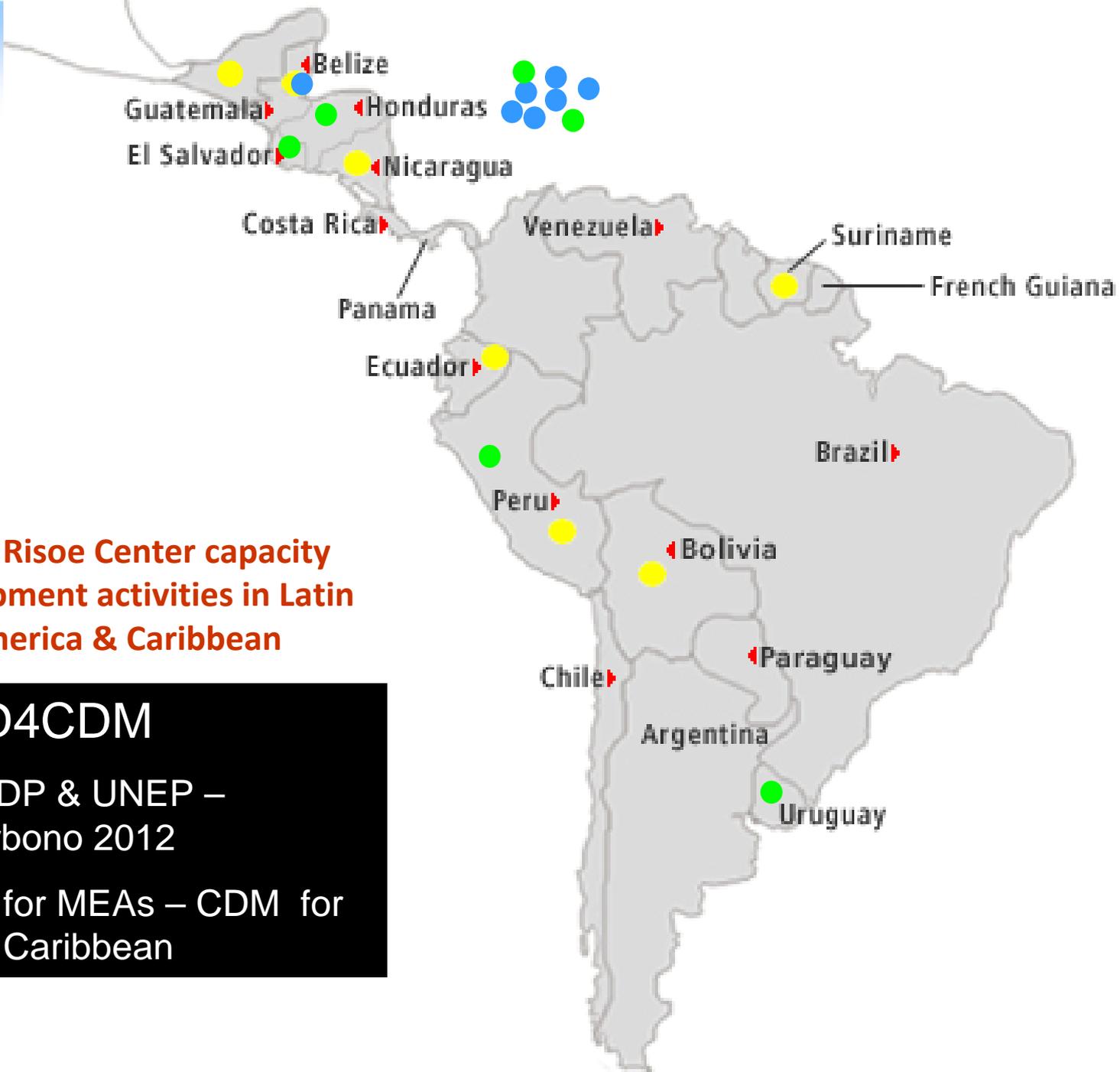
secure financing and implement CDM projects

Creates a national CDM project portfolios and the institutional capability to attract CDM investments

project approval

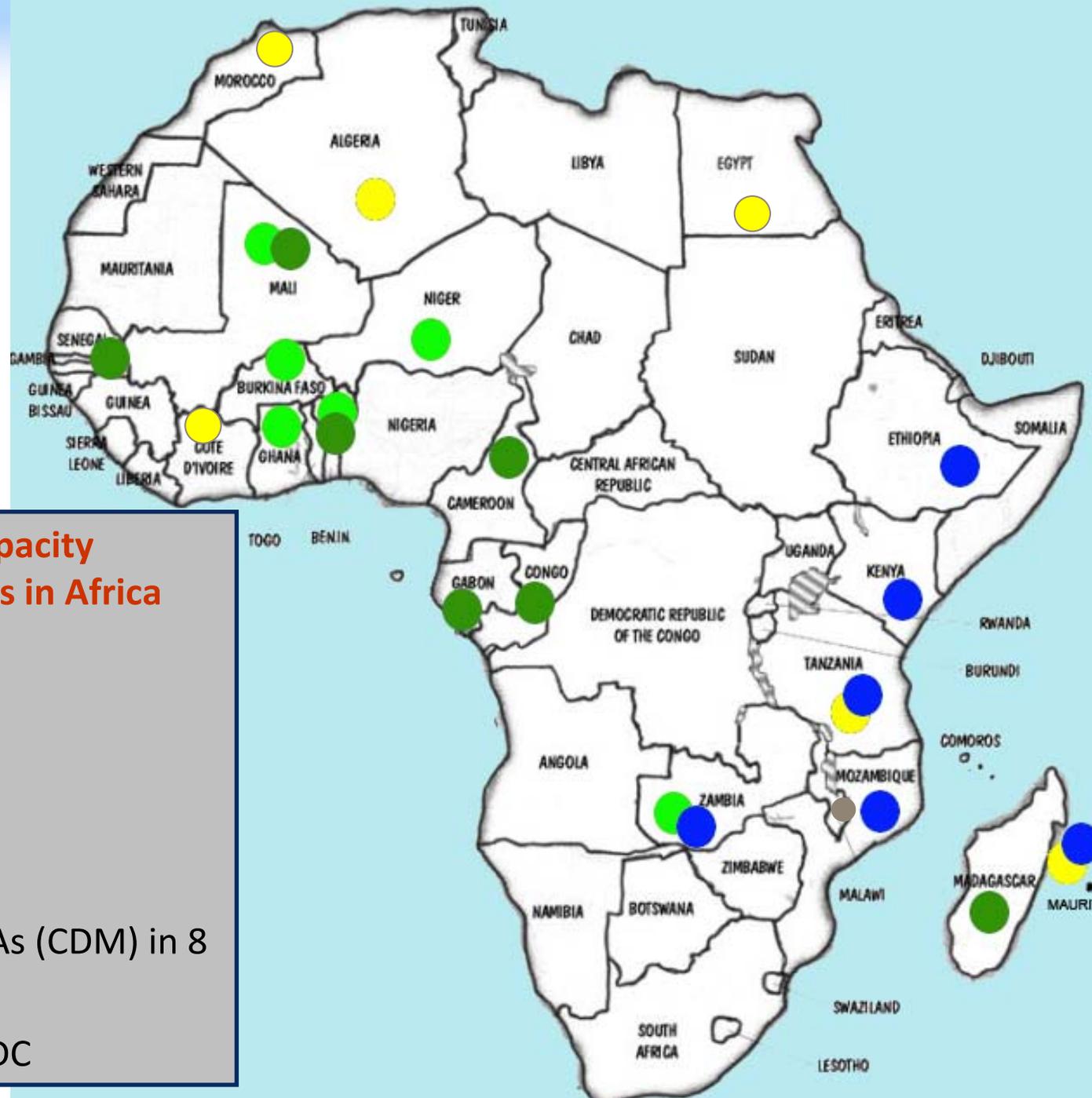
project origination

Promotion of national CDM portfolios in Regional Carbon Forums and Expo



UNEP Risoec Center capacity development activities in Latin America & Caribbean

- CD4CDM
- UNDP & UNEP – Carbone 2012
- CB for MEAs – CDM for the Caribbean



UNEP Risoe Centre capacity development activities in Africa

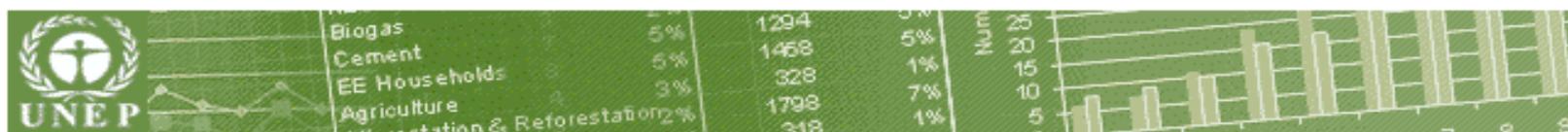
- CD4CDM
- Green Facility
- UNDP-UNEP
- CASCADE
- CB for ACP- MEAs (CDM) in 8 countries...

20 COUNTRIES; 11 LDC

Strategic Research Areas

- **Mitigation policy analysis:**
 - Pledge tracker: post-Copenhagen update
 - IPCC AR5
 - Indirect benefits of CDM in countries, e.g. for policies, institutions etc.
 - Perspectives 2010/11
 - Interfacing and integration of NAMA and NAPA by sector
 - CDM capacity development impact assessment – phase II of CD4CDM
 - The role of capacity development in making the CDM operational in developing countries. Lessons learned from the project on CD4CDM phase I
- **Carbon finance and sustainable development:**
 - PoA analysis – new sheet in the Pipeline
 - Journal articles from Master and PhD students
- **Carbon finance and clean energy:**
 - Analysis of investments in CDM projects by sub-type, country etc
 - Analysis of reasons for issuance delay
 - Nordjysk Elhandel: Risks, delays, issuance success, registered projects
 - CER price analysis
 - Large hydro problems
 - Articles on hydro/wave/geothermal energy
 - PoA potential and feasibility study for solar technologies in Indonesia
 - CDM technology fact sheets and Methodological Tool

Facilitación de información y análisis del mercado global del carbono



Last updated:
1st September 2008

Content of CDM/JI Pipeline

- » Home
- » Overview
- » CDM projects by type
- » CDM projects by host region
- » CERs
- » Approved CDM methodologies
- » JI projects
- » DOEs/AIEs

Welcome to the UNEP Risoe CDM/JI Pipeline Analysis and Database

The CDM/JI Pipeline Analysis and Database contains all CDM/JI projects that have been sent for validation/determination. It also contains the baseline & monitoring methodologies, a list of DOEs and several analyses. Almost all information is from cdm.unfccc.int and ji.unfccc.int.

This monthly newsletter shows a sample of the analysis in the Pipeline. If you want more information, then look into the left column and click on the links to sub-pages or click on the download for the full Pipeline, which contain tables with a line of key information for all CDM and JI projects. You can also download a rather old guidance document to the Pipeline.

We publish regularly analysis in the "CDM/JI Analysis" section on www.carbon-financeonline.com (access to this section is free of charge).

» [Go to overview page](#)

Please cite as "UNEP Risoe CDM/JI Pipeline Analysis and Database, September 1st 2008".

Please do not put the spreadsheets on other web-sites, you may only put a link to them on this site.

Contact

If you have comments or questions please contact:

Joergen Fenhann
+45 46 77 51 05
j.fenhann@risoe.dk

Lars R. Appelquist
lars.rosendahl@risoe.dk

Kasper Agger
kasper.agger@risoe.dk

Downloads

[CDM Pipeline overview](#)

[CDM project distribution within host countries by region and type](#)

[JI Pipeline overview](#)

[Guidance document](#)
(updated February 2008)

Virtual platform for matchmaking or info exchange



Signup | Login

Home | About CDM Bazaar | How to use the Bazaar | Contact | Legal | Glossary

Navigation: ▼

Welcome to the UNFCCC CDM Bazaar. This site currently holds **94 postings** from **1165 registered users**

Sellers →

The Seller section shows seller profiles, including contact information, and the projects which have been added by registered Sellers.

Go to this section to:

- View seller entries and details of sellers in the carbon market
- View project entries and details of CDM projects and CERs at various stages
- View sellers and projects, and sort them according to your requirements

> [Visit seller section](#)

Latest seller profiles

2-9-2008 | [pradyumna](#)
 27-8-2008 | [AMR PLANTATION S/B](#)
 26-8-2008 | [Environmental Carbon Solut](#)
 22-8-2008 | [Elgrey Power Pte Ltd](#)
 22-8-2008 | [Ingenio](#)

> [See all sellers' profiles](#)

Buyers →

The Buyer section shows profiles of buyers in the carbon market, including preferences and contact information.

Go to this section to:

- View buyer entries and details of buyers in the carbon market
- View detailed purchasing profiles of buyers
- View buyer profiles, and sort them according to your requirements

> [Visit buyer section](#)

Latest buyer profiles

8-9-2008 | [BP](#)
 7-9-2008 | [Shell](#)
 2-9-2008 | [BOT GIE S.A.](#)
 25-8-2008 | [Climate Capital Network](#)
 23-8-2008 | [Climate Neutral](#)

> [See all buyers' profiles](#)

Service providers →

The Service provider section shows profiles of companies, including contact information, who supply carbon market technologies and services.

Go to this section to:

- View service provider entries
- View detailed profiles of service providers
- View service providers, and sort them according to your requirements

> [Visit service provider section](#)

Latest service provider profiles

8-9-2008 | [Renewgen Systems Inc.](#)
 8-9-2008 | [Mf Global UK Ltd](#)
 5-9-2008 | [Secutech Climate Change](#)
 3-9-2008 | [SustentaX](#)
 2-9-2008 | [Planck E](#)

> [See all service providers' profiles](#)

Search

Signup

Register to add your profile to the CDM Bazaar, and to add project information or announcements.

> [Register](#)

Login

Select profile ▼
 Username

> [Signup](#)

CDM Technologies & Methodologies

Last updated:
1st May 2010

Content of CDM Methodologies & Technologies

- » Home
- » Methodology
- » Technology



Methodology Selection Tool

The CDM Selection Tool is a handy and simple resource that will allow you to choose a methodology that is applicable to the type of project you are planning to develop as a CDM activity.

By selecting a type of project you will be led to select a sub-type, which at the same time lets you see the different technologies that can be applied in each sub-type of project. Once you have identified the desired sub-type and technology, the tool will allow you to see the methodology(ies) applicable to that specific technology. From here you will be directed to the methodology pdf file at the UNFCCC/CDM website.

Please choose the area of interest from the lists below:

Small Scale: Large Scale:

Type:

Subtype:

Technology:

Contact

If you have comments or questions please contact:

» **Miriam Hinojosa**



milh@risoe.dtu.dk

» **Frederik Staun**

fsta@risoe.dtu.dk

» **Sandra Bry**

sbhu@risoe.dtu.dk

Downloads

Analytical Activities & Publications

→ *Support the informational and educational objectives of our capacity development activities*

- Guidebooks on specific issues of the CDM
- Carbon Market Perspective Series
- CD4CDM Working Paper Series
- CDM data & analysis - CDM&JI Pipeline
- Web based CDM Technology and Methodology Selection Tool
- CDM Bazaar



Analytical activities & publications

- **Up coming publications:**
 - Studies on CDM Potentials for countries with less than 5 projects in the pipeline (together with UNFCCC and UNDP)
 - A study on the impact of more standardised cross-border electric power baseline methodologies for African countries connected through the Southern African Power Pool (SAPP).
- **Update of manuals:**
 - CDM PDD guidebook: Navigating the pitfalls
 - Financing CDM projects
 - CDM information guidebook

Outreach and promotion activities

Investment mobilization and engaging the finance sector

Regional Carbon Forums

- African Bankers' Carbon Finance Investment Forum. May 2007, Johannesburg
- Dakar, Senegal: Carbon finance perspectives for the banking sector. Feb 12-14, 2008
- Training finance sector staff – Regional Financial Sector CDM Forum, Lima, Nov 2008
- Finance guidebook
- African Banker's Forum. November 2010. South Africa

- **Africa Carbon Forum**, Senegal, Sep. 2008; Kenya, March 2010
- **Latin America Carbon Forums**, Quito 2006, Lima 2007, Santiago 2008, Panama 2009, DR 2010
 - ✓ Knowledge and information sharing platforms
 - ✓ Bring together CDM stakeholders to benefit from:
 - ✓ Updates on Carbon markets; technical knowledge sharing on conferences; trade fair and capacity-development sessions,
 - ✓ Organizers: IETA, UNED/Diso, WB, OLADE,





More information:
<http://uneprisoe.org>
<http://cd4cdm.org>
<http://acp-cd4cdm>
<http://cdmbazaar.net>
<http://cdmpipeline.org>