

Activities

Project activities are led by the UNEP Risø Centre (URC) at Risø National Laboratory in Denmark. These activities are designed to generate support for CDM projects by senior-level policy makers and government officials in developing countries, and to build the national capacity needed to attract and undertake CDM projects. Some activities will be undertaken jointly by some developing country institutions acting as regional centres.

Project Support

The Project is supported by the Environment & Development Cooperation Programme within the Netherlands Ministry of Foreign Affairs. It is part of Dutch efforts to help developing countries attain full benefit from CDM opportunities

The Netherlands government believes the UNFCCC and the Kyoto Protocol are serious and important steps to reduce the magnitude and impact of climate change. It also supports the CDM's potential to help small- and medium-sized developing countries benefit from the available resources that might otherwise flow to the larger, more advanced developing countries.

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RISØ

New Opportunities Capacity Development for the Clean Development Mechanism (CDM)

The Kyoto Protocol's Clean Development Mechanism (CDM) fosters projects in developing countries that promote sustainable development while reducing greenhouse gas emissions. Certified reductions from such projects can then be credited to developed countries as part of their compliance with the Protocol.



However, many developing countries lack the human and institutional capacity to make use of the opportunities presented by the CDM. Developing this capacity - and a broad understanding of CDM opportunities - is the rationale and basis of the *Capacity Development for the CDM* project.

A Project to Develop
 National CDM Capacity



Regional Centres

A number of Regional centres are helping to implement the Project, beginning with the preparation of background papers, collecting data & information, and convening workshops.

The regional centres include: **Africa** Environment and Development Action in the Third World (ENDA) and the Energy and Development Research Centre (ERDC); **Asia** the Asian Institute of Technology (AIT); and **Latin America** the Institute for Energy Economics (IDEE - Bariloche Foundation). APEX in Tunisia is the regional centre for the **North Africa/Middle East**.



Specific activities include:

Aim and Objectives

The general aim of the Project is to help developing countries participate in the CDM as *equal partners* with developed countries by creating and expanding their institutional skills and human capacity.

The Project started its operation in 2002 and finished Phase I with the finalization of national work plans. Phase II will start in mid 2003 and finish at the end of 2005, and includes specific objectives to help developing countries use a "hands-on" process to:

- develop the capacity of their policymakers to establish regulatory frameworks, define baselines and cooperate with national institutions to establish a national CDM authority.
- build capacity within their public sector and research to define CDM baselines and validate projects.
- work with the private and financial sectors to identify CDM projects, formulate business plans, raise financial support and implement project activities.
- establish a pipeline of CDM projects contributing to sustainable development, especially in the energy sector.

Countries participating in the Project are the Philippines, Viet Nam, Cambodia, Cote d'Ivoire, Mozambique, Uganda, Bolivia, Ecuador, Guatemala, Morocco, Jordan, and Egypt.

Benefits

The main benefit of the Project is to enable countries to participate in the CDM, which can subsequently help them reach some of their economic, social, environmental, and sustainable development objectives, including cleaner air and water, improved land use, rural development, employment, and poverty alleviation. In many cases, CDM projects will also reduce dependence on imported fossil fuels.

In addition to being a catalyst for environmentally sound investment, the CDM offers countries an opportunity to make progress simultaneously on climate, development, and local environmental issues. For developing countries with immediate economic and social needs, these benefits can offer a strong incentive to participate in the CDM.

Through a number of activities, the Project will help the CDM become an efficient and successful method to reduce greenhouse gas emissions through a partnership between developed and developing countries. Increasing participation in the CDM can also increase the uptake of cleaner forms of energy and foster a better integration of energy, climate change and development policies in participating countries.

Participating in the CDM can also potentially help to reduce pollution from energy activities, while allowing developing countries to meet growing needs for energy services. Participation will also enhance the ability of national institutions to develop policies, undertake planning and conduct research to simultaneously address energy, environment and development challenges.

1. Build support and promote commitment of policymakers

This activity includes assessing the national capacity to undertake CDM projects, helping establish a national CDM focus through a specific agency or office, and conducting national and regional workshops to introduce and discuss the CDM framework.

2. Identify CDM baselines and assist to develop a regulatory framework for legal, financial and technical issues unique to CDM projects

The focus of this activity is assessing and enhancing the capability of key government policymakers to formulate the necessary regulatory and legal frameworks to operate the CDM at the national level. This includes cooperation with national researchers to define baselines and to develop guidelines consistent with the UN Framework Convention on Climate Change (UNFCCC).

3. Establish frameworks for national organizations and institutions to identify, assess, and implement CDM projects.

This activity will develop the capabilities of staff within the national CDM organisations in order to validate CDM projects and verify the resulting emission reductions. National and regional training workshops will be conducted to share experiences and lessons.

4. Strengthen the ability of public and private sector project developers to identify, formulate and secure financing for CDM projects.

The goal of this activity is to develop and strengthen the range of public and private sector project developers who are capable of working with the CDM regulatory framework to gain approval for proposed CDM projects. This activity will also increase the ability of national financial organisations and banks to understand the value of emission credits arising from CDM projects.

5. Create a pipeline of eligible projects and the institutional capability to attract potential CDM investors.

To create a 'pipeline' of investments, this activity will develop national portfolios of validated CDM-eligible projects by

- providing technical assistance to national researchers
- conducting regional and national workshops to inform and train national counterparts in the "art of documenting" project proposals
- identifying and securing potential financial resources to assist national counterparts in the project preparation process
- fostering investments for CDM-eligible projects by working with the established national CDM investment promotion office to attract investments for CDM-eligible projects.