UNDP 50 YEARS

Empowered lives. Resilient nations.

POSITIVE IMPACT

2013-2015 UNDP MDG Carbon

Overview of Projects, Process and Performance

United Nations Development Programme

MDG Carbon Programme Management and Technical Oversight
Alexandra Soezer, Ph.D.
alexandra.soezer@undp.org

Editor
Georgina Wilde

Design
Kimberly Koserowski

Acknowledgement
Arindam K Basu (Concept Development)

Photo Credits
Courtney Blodgett
Douglas Marett
Jan Lam
Jorund Buen
Ky Chanthan
Manfred Stockmayer
Dr. Seumkham Thoummavongsa
Sandip Keswani
Dr. Srikanth Subbarao
Sven Bratschke
Vladislav Arnaoudov

Executive Summary

Established in 2007, UNDP's MDG Carbon is an innovative programme that assists developing countries in implementing a host of low-carbon interventions, spanning multiple technologies, active in all regions of the world, and leveraging significant amounts of private sector millions of dollars in independent co-investments.

Under the Kyoto Protocol, MDG Carbon's programmes have assisted a diverse portfolio of Clean Development Mechanism/Joint Implementation projects. In order to maximize sustainable development benefits, MDG Carbon has provided a comprehensive suite of project development services to a carefully selected group of high impact projects with significant emissions reduction potential.

Prior to the Paris Agreement which mentions new pathways for mitigation and adaptation, CDM had established itself as an important instrument in tackling climate change while simultaneously facilitating the transition of developing countries to a low-carbon, climate resilient economic trajectory. Recognizing the limitations of stand-alone CDM projects, MDG Carbon focused on CDM Programme of Activities (CDM-PoAs) that opened doors to reducing transaction costs through aggregation, and to implementing countries with low emission reduction potential, many of which could not previously benefit from carbon finance.

Recent developments saw next generation instruments such as Nationally Appropriate Mitigation Actions (NAMAs) that increased the opportunities for scaled up climate action and carbon finance. MDG Carbon not only supported the development of NAMAs but also assisted in the development of 'Standardized Baselines' a crucial building block which helped make tracking the mitigation potential of NAMAs more efficient, transparent and robust. CDM-PoAs and NAMAs collectively represent 'scaled-up mitigation based approaches' and will form the foundation for future action towards a low carbon future.

In response to this, MDG Carbon has initiated the project entitled "Scaled-up Carbon Finance For Sustainable Development" with generous contributions from the Government of Australia. The project aimed to promote carbon finance solutions at scale in underrepresented developing countries and sectors through projects with high sustainable development outcomes.

The project has been structured across three key outcomes:

- Outcome 1: Capacity building for CDM and scaled-up mitigation approaches.
- Outcome 2: Highly-sustainable CDM project pipeline.
- Outcome 3: Technical assistance to pilot a sector-wide approach and Standardized Baselines.

Outcome 1 was intended to enhance the capacity of project proponents in underrepresented countries and/or sectors with respect to CDM and assist in the identification of linkages to scaled-up mitigation approaches.

MDG Carbon promoted the development of web tools, reached out to a diverse audience by promoting activities through social networking platforms, developed knowledge products, infographics, blogs, an innovative Sustainable Development Tool to evaluate sustainable development impacts of mitigation actions, launched a Climate Finance Innovation Award Contest jointly with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., organized

jointly with the World Bank Institute for Climate Change five webinars "PoAs and Beyond", and participated in CDM workshops, NAMA Market places and a NAMA Fair, as well as CDM roundtables.

Outcome 2 essentially contributed to enhancing the capacity of underrepresented countries in the CDM to generate a viable CDM Programme of Activities (PoA) pipeline, through direct, learning-by-doing experiences of highly sustainable projects.

MDG Carbon has provided tailored technical assistance to guide PoA project developers through the CDM project cycle up to successful registration at the UNFCCC. Multi-country PoAs in Burkina Faso and Benin (biogas stoves), Cameroon and Rwanda (efficient biomass-fired cookstoves) and a PoA in the Democratic Republic of Congo (efficient biomass-fired cookstoves), in Vanuatu (efficient biomass-fired cookstoves) and a multi-country PoA in Myanmar and Timor-Leste (solar lighting systems, efficient cookstoves and water purifiers) have been successfully registered with the UNFCCC. All PoAs have significant sustainable development impacts, will save fuelwood, decrease indoor air pollution, improve livelihoods by reducing fuel costs and achieve sustainable, affordable and clean cooking solutions.

The objective of outcome 3 was to support countries in creating a supportive environment for implementation of scaled-up mitigation actions in a particular sector that will be embedded in national low emission strategies.

MDG Carbon has supported the development of two Standardized Baselines, one in the rice sector of the Philippines and a second Standardized Baseline for The Gambia's electricity grid systems. The Standardized Baselines provide a simplified approach to measuring, reporting and verification (MRV) through the application of default values. Both Standardized Baselines have been approved by UNFCCC.

MDG Carbon has also completed NAMA studies on sustainable charcoal in Cote D'Ivoire, Ghana and Uganda and provided technical assistance for the design of fully-fledged NAMA project proposals in The Gambia (rural electrification), Namibia (rural electrification), Sri Lanka (transport), Philippines (Adaptation and Mitigation Actions in the rice sector), Cambodia (energy efficiency in the garment industry), Lao PDR (rural electrification) and Vanuatu (rural electrification) with the overall goal to achieve a transformational change in the sector.

The fully designed NAMAs are closely embedded into existing policies, leverage existing institutional structures, incorporate a robust management structure, and propose concrete interventions and a clear donor exit strategy to ensure sustainability of the NAMA once initial support is completed and after the intended transformational impact has been achieved.

Overall, the project's three outcomes collectively promoted countries' direct experience in CDM projects with high development benefits and organically structured inclusive, scaled-up mitigation approaches with the overall aim being to achieve sector transformation at scale.

It is noteworthy that the project has accomplished and exceeded all outputs and activities targeted in the three outcomes with support reaching out to as many as 14 countries across Africa, Asia and the Pacific.

MDG Carbon supported the preparation of an impressive portfolio of highly sustainable PoAs and fully-fledged NAMAs that are ready for implementation and will contribute towards significant environmental and sustainable development impacts once fully implemented::

- Emission Reduction Potential: **40 Million tonnes CO_2eq**
- Improved Livelihoods/People: **600,000 households**
- New Jobs Created: **1500 (of which 50 per cent are targeted at women)**
- Small & Medium sized enterprises: **400 (focus on rural enterprises)**
- Capacity building and training: **2 million people with new skills**
- Installation of new equipment and technology: **20,000 pieces of new equipment (this includes Cambodia with the massive new equipment installed)**
- No. of project initiatives: **17 (PoAs, NAMAs and Standardized Baselines)**
- No. of countries supported: **14**
- Financial Outlay: **US$2.6 Million (2013-2015)**

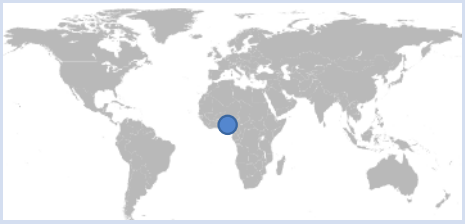
MDG Carbon has been supported through generous contribution from the Government of Australia.

Table of Contents

CDM Programme of Activity

West African Biodigester Programme

At a Glance



UNFCCC CDM PoA No. 9977

- **Technology:** Biogas stoves fueled with biogas produced from manure in fixed dome domestic biodigesters.
- **Countries:** Burkina Faso and Benin.
- **Scale:** Potential for 200,000 Units
- **Duration:** 2013 – 2041 (28 years)
- **ER Potential:** 22,500 tCO_2e/year
- **Coordinating/Managing Entity:** SNV Netherlands Development Organization

Project Impact

The programmatic approach was officially established in 2007 by the adoption of guidelines and procedures for Programme of Activities (PoA) by the Clean Development Mechanism Executive Board. Due to high transaction costs small single CDM projects were under-represented and the PoA approach was designed in order to allow these small projects benefit from carbon credits. With the PoA approach the project approval process for many individual activities that are distributed over space and time are brought together.