

## Agenda item 2.2.

Paragraph 6 of the annotated agenda, Annex 1

# Financing and use of the CDM by international finance institutions

**CDM EB 105**

Madrid, Spain

25 to 28 November 2019



# Historical background

- ✓ **CMP.1** (3/CMP.1, Annex, para B 4(d)): COP/MOP shall *assist in arranging funding* of CDM project activities, as necessary
- ✓ **CMP.1** (3/CMP.1, Annex, para C 5(i)): CDM-EB shall make publicly available information on *projects needing funding* and *investors seeking opportunities*
- ✓ **CMP.11** (6/CMP.11, para 8): encouraged the Board to explore opportunities for *financing the CDM through international financing institutions*, such as the GCF\*
- ✓ **EB-88, EB-90, EB-91, EB-94, EB-97, EB-99** *initiated neutral, unbiased, non-commercial support for several activities*, incl. some new activities
- ✓ **CMP.12** (3/CMP.12, para 4): encouraged the Board to continue its *activities* in response to CMP.11 above
- ✓ **CMP.13** (3/CMP.13, para 2): encouraged the Board to continue its *cooperation with financial institutions* in response CMP.11 above

**The Board, through its BMAP 2018–2019, agreed to receive regular updates on the support provided to international climate finance institutions.**



## Purpose

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The purpose of this note is to provide the Board with an **update** of the **support** by the secretariat for **Q2 2019 to Q3 2019** (April to September 2019)

The previous period was reported at **EB 103** (first half of October 2018 to May 2019), will be repeated here again

Support for the most part provided with kind **assistance** and in **collaboration** with the **Regional Collaboration Centres (RCC)**



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## Recap of results (reported at EB103\*)

Activities	Projects/proposals	Host country	Continuing partner
1 - <b>GBs</b>	1 x PoA (rice cultivation) 1 x PoA (cookstoves)	Philippines Ghana	UNDP regional office NDC partnership
2 - <b>Crowd</b>	1 x CDM (landfill gas usage) 1 x CDM (landfill gas usage)	Colombia	Private sector company Private sector company
3 - <b>FI's &amp; governments</b>	10 x proposals (solar) 6 x proposals (hydropower) 4 x proposals (biomass energy) 2 x proposals (biomass energy) 2 x proposals (lighting) 2 x proposals (waste) 2 x proposals (wind) Project preparation for CDM projects and expertise placement to establish a green banking arm for project financing, as part of NDC partnership plan. Identification of projects as CDM projects and GCF readiness to establish a green banking arm for project financing	Benin Burkina Faso Côte d'Ivoire Mali Niger Togo Senegal Zimbabwe Uganda	BOAD EADB IDBZ UDB NDC partnership NGOs

\*Total lifecycle of a bank financed project, from initiation to repayment, can range from one year for working capital or trade financing projects to 15 years for long-term sovereign infrastructure projects (source: EBRD)

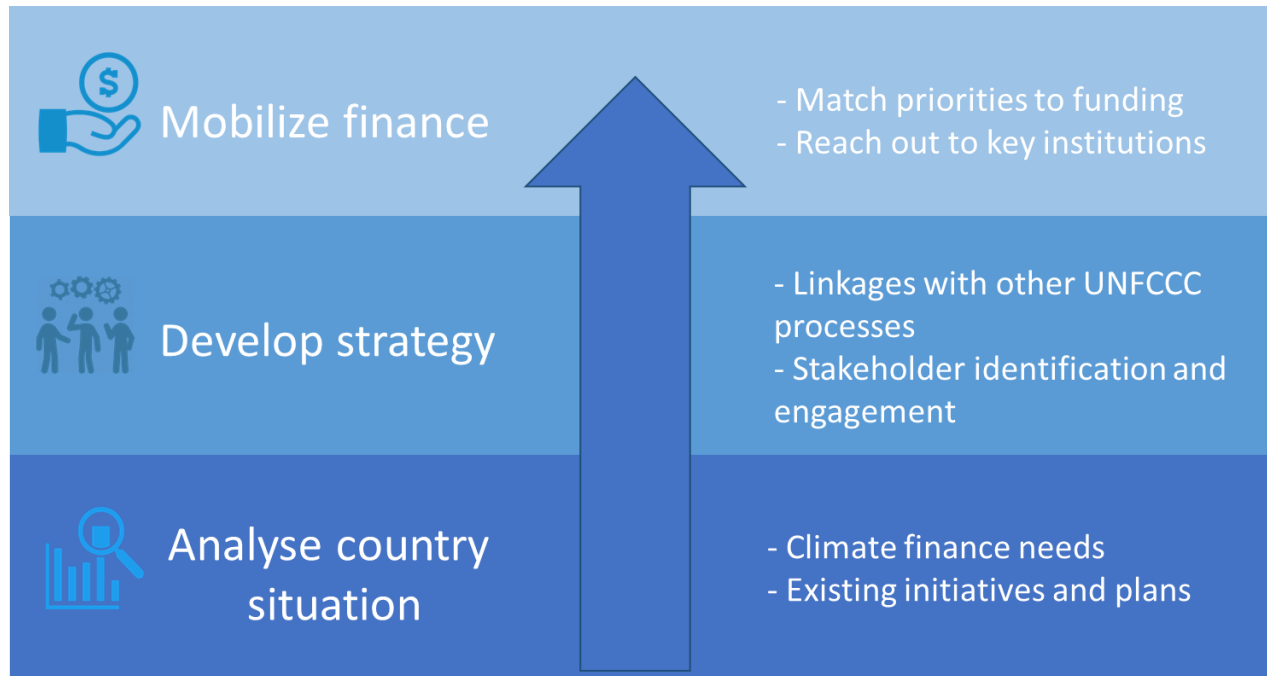


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# Complementary mandates & processes

Decision 6/CMP.11, paragraph 8 ...explore opportunities for financing CDM projects, taking into account prudent management of the resources of the CDM.



Needs-based finance (NBF) project\* aims to facilitate the mobilization of climate finance to support the needs identified by developing countries regarding the implementation of priority mitigation and adaptation actions, in accordance with the goals outlined in their NDCs, national adaptation plans and other relevant policies or strategies.



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\*Long-term climate finance, 6/CP.23, paragraph 10

# Needs-based Finance Project - a country-driven process

## Project phases:



## Role of the secretariat :



### COLLABORATE

Ensuring project design is tailored to specific needs & priorities of countries



### SUPPORT

In organizing, synthesizing; development of climate finance strategies; foster synergies, project opportunities



### ASSIST

Assist in identification of stakeholders; key public & private financing institutions (domestic/international) & facilitate engagement



### PROMOTE

Linkages with relevant local, regional and international finance and investment opportunities



### FACILITATE

Exchange of experiences & lessons learned; dissemination of information on projects



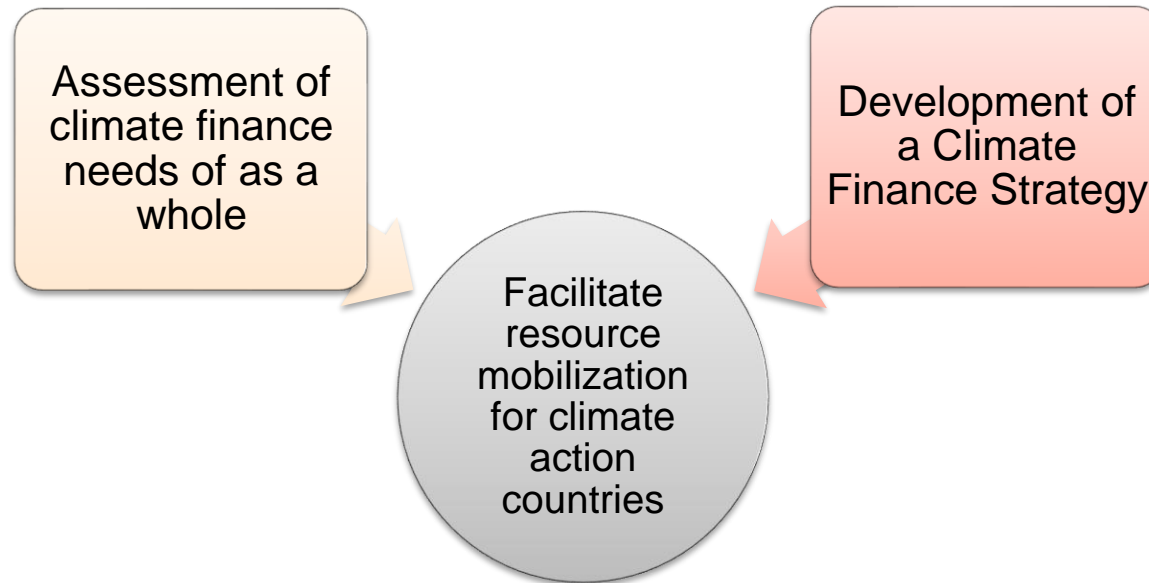
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## Needs-based Finance Project - a country-driven process

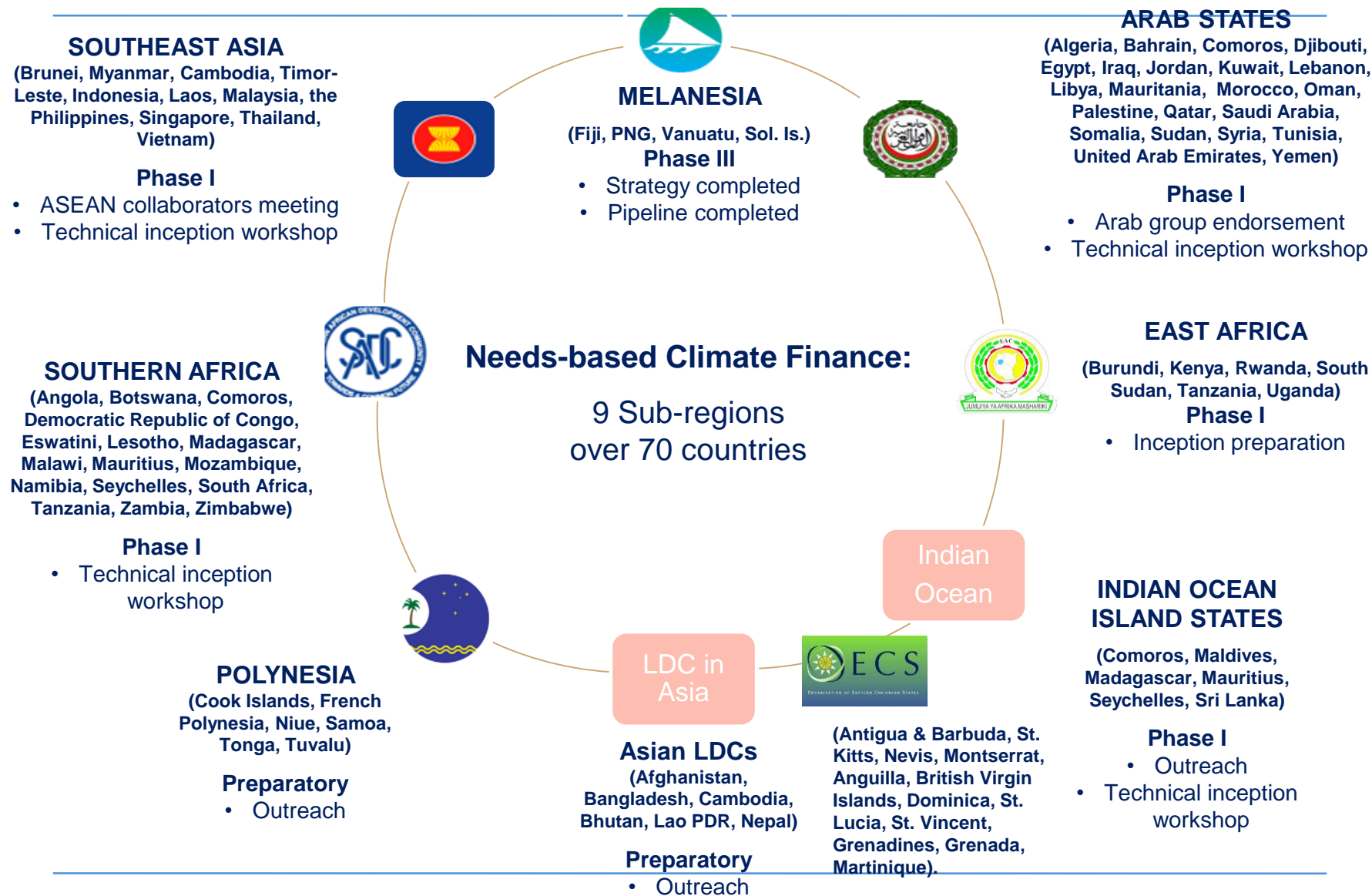
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- a country-driven approach owned by countries
- development of climate finance mobilization and access strategy based on needs
- development of an investment, facility & project pipeline
- carried by regional integration/economic communities or commissions
- endorsement at the highest political level through the RICs
- facilitate mobilization and access of finance for priority project / needs
- Enabled through UNFCCC secretariat, RCC and partner support



# Progress to date



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**Phase 1**  
Completed





## Impacts

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The work promotes use of the CDM by IFIs:

- ✓ contribute to **pre-2020** climate action
- ✓ mitigation action that is **verified, additional & internationally** tracked
- ✓ contribute to the **exploration other uses of the CDM**

The work does not foresee any cost implications for third parties/stakeholders



# Subsequent work and timelines

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All the activities initiated will continue through into 2020.....



East African Community  
One People, One Destiny



**MSG Secretariat**  
Secretariat du **GFLM**  
Melanesian Spearhead Group | Le Groupe Fir de Lance Mélanésien



SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
TOWARDS A COMMON FUTURE



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## Recommendations to the Board

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The secretariat recommends to the Board:

Take note of the **progress of the support** provided by the secretariat and in collaboration with the other sub-programmes in the secretariat and the Regional Collaboration Centres

