

27-08-2013

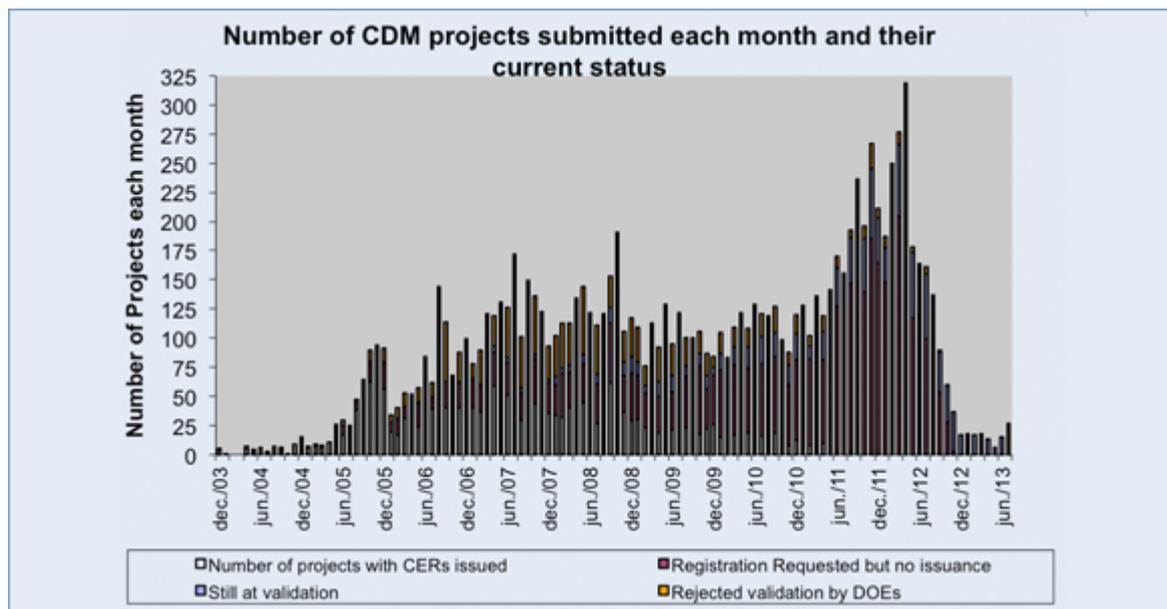
CDM Bazaar Newsletter

Dear Reader,

Welcome to the CDM Bazaar Newsletter. This bulletin brings to you an overview of the latest developments within the CDM and updates on the CDM Bazaar (<http://www.cdmbazaar.net>)

CDM is currently characterized by a low level of activity in terms of requests for registration of new projects, similar to the initial years of its lifespan when CDM was still in a learning curve. Figure 1 below shows the increase in CDM activity since the beginning of 2004 until the second half of 2012 and then the decrease in 2013.

This decrease in requests for registration during the present year was expected, due to the conditions in the international markets for CERs.



Source: www.cdmpipeline.org

The amount of CDM projects submitted for registration since December 2012 has in average been 17 compared to 164 incoming projects in October 2012. However, the CDM still has a role to play on the climate change mitigation scene. Historically, compliance-driven demand for carbon offsets from CDM has outpaced voluntary offset demand. Nevertheless, after the collapse of the CER/EUA price and the exclusion of CERs from non-LDC host countries in the EU ETS, the settings on the international carbon market have changed. The role of the CDM has to be redefined and stakeholders have to change their conception of the mechanism, an issue that is being intensively discussed and analyzed in international workshops and negotiations. Taking this perspective into account, we can conclude that CDM is very much alive as both CDM projects and added CPAs in PoAs have presented positive tendencies over the last couple of months. In the graph below it is illustrated how the amount of CPAs added per month has increased while the amount of new PoAs has remained constant.

The amount of new CDM projects also increased and in July 2013, 27 new projects were submitted for validation, still

higher than the 17 projects that were submitted under the Voluntary Carbon Standard in July.

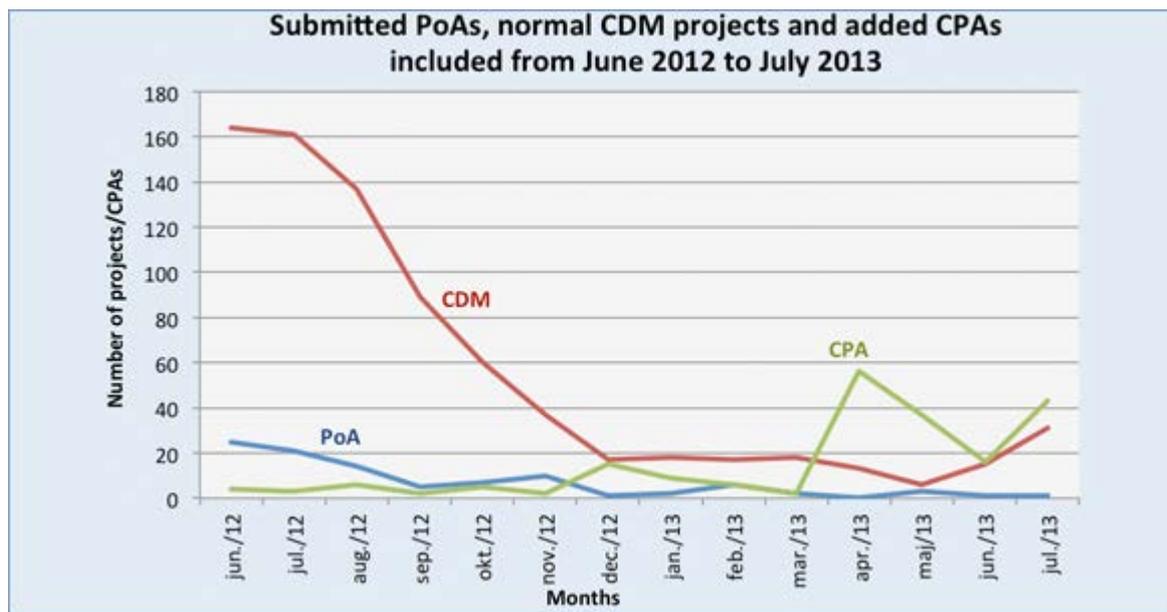
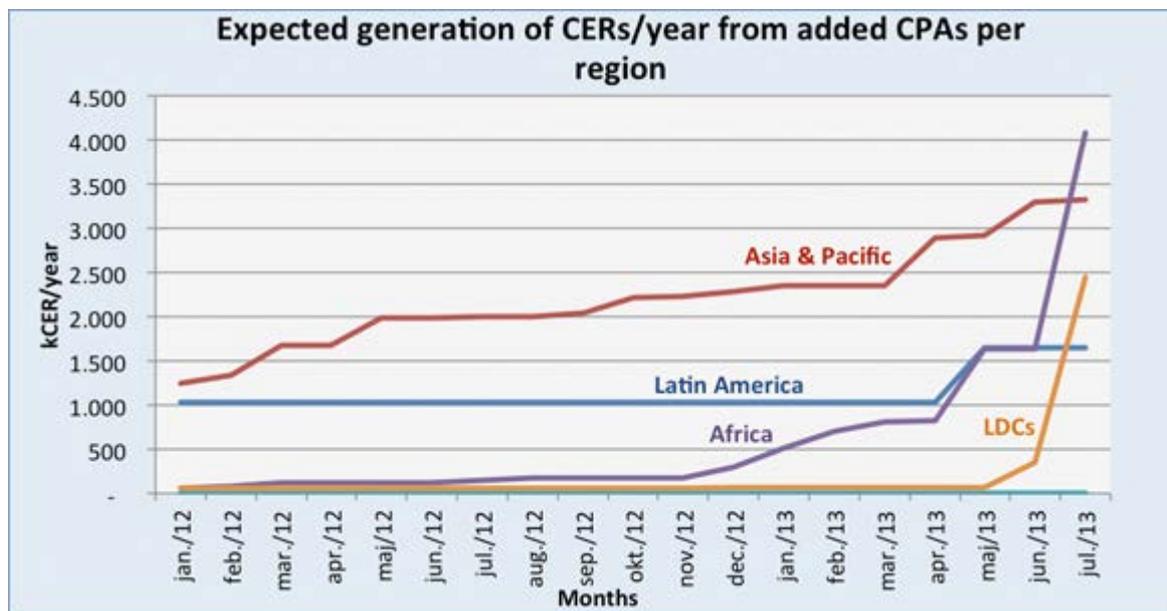


Figure 3 below shows the accumulated amount of expected CERs/year from added CPAs. Added CPAs is the essence of the concept behind PoA meaning that without added CPAs a PoA is simply equal to a stand-alone CDM project but with higher cost of development. Added CPAs reduce the administration cost per unit of emission reductions and is essentially an indicator of the level of POA activity per se. Added CPAs in Africa, as a region, is expected to generate more than 4,000,000 CERs per year which indicates a high level of activity in a region that traditionally has been left behind in a regular CDM context.



New Regional Collaboration Centres

The United Nations Framework Convention on Climate Change (UNFCCC) secretariat has signed a partnership agreement with the Windward Islands Research and Education Foundation (WINDREF) to establish a regional collaboration centre in Saint George, Grenada in an effort to assist in the development of clean development mechanism (CDM) projects in the region. The center in Saint George will be the third after the already established centres in Lomé, Togo and in Kampala, Uganda. In partnership with the West African Development Bank the center in Lomé serves West and Francophone Africa, while the center in Kampala, in partnership with the East African Development Bank, promotes CDM in the English speaking parts of Africa.

A fourth center is due to be launched in the beginning of September in partnership with Corporación Andina de Fomento in Bogotá, Colombia and a fifth center is planned for Asia later in the year.

CDM Loan Scheme

35 CDM project developers are so far benefitting from the interest-free loans from the CDM Loan Scheme. The recent deadline for applications by August 1st saw 24 new applications - another sign that the CDM is relevant and continues its development. "*SimGas Biogas Programme of Activities, Kenya*" was among the applying CDM projects that were successful during the first application phase and the purpose of the project is to provide biogas systems to urban and rural customers that are dependent on wood fuel, charcoal and kerosene. Biogas users replace these unsustainable fuels by biogas made from organic waste and/or by capturing methane gas from manure. Each biogas user reduces carbon emissions by 5-8 tonne CO₂-equivalent per year. Winnie Versol, Business Development Officer at SimGas, says "*The realized carbon reduction is an important component of the SimGas business plan. The registration of a Carbon Program requires a very large investment for a starting company. Thanks to the CDM Loan Scheme, SimGas was able to both realise the registration of its PoA and invest extra money (otherwise spent on the CDM registration) in creating additional impact in the field.*"

Loan applications may be submitted to the CDM Loan Scheme on an ongoing basis, but three annual deadlines are set for subsequent processing and decision at Technical Review Committee meetings.

Please visit www.cdmloanscheme.org for more information on the CDM Loan Scheme and to apply for a loan.



Beneficiaries from the "*SimGas Biogas Programme of Activities, Kenya*"

Standardized baselines

Since the "*Guideline for the Establishment of Sector Specific Standardized Baselines*" was approved at the 62nd Executive Board meeting a number of proposals have been submitted.

The first two standardized baselines were approved at EB 73:

- *Grid emission factor for the Southern African Power Pool.*
The grid emission factor for the Southern African Power Pool (SAPP) can be used to define baseline emissions for projects in Botswana, the Democratic Republic of the Congo (DRC), Lesotho, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe, which are the nine countries of the SAAP.
- *Fuel switch, technology switch and methane destruction in the charcoal sector of Uganda.*
Can be used to determine baseline emissions for projects in the charcoal sector in Uganda and defines a positive list of technologies for automatic additionality.

In addition there are three proposals for Standardized Baselines from the DNAs in Ethiopia, Cambodia and Uzbekistan on clinker production, energy use in rice mills and a grid emission factor respectively. See the approved and proposed Standardized Baselines [here](#).

Additional standardized baselines are being developed for several countries, mainly in Asia and Africa.

Africa Carbon Forum 2013

This year's forum attracted 600 participants for the three-day programme of presentations, buyer-seller match-making sessions and exhibitions. The forum was opened by the prime minister of Côte d'Ivoire, Daniel Kablan Duncan, whose speech offered a powerful demonstration of commitment to support the carbon market in the country.

The Forum was organized back-to-back with the Regional Training for Africa, aimed at African DNAs and CMEs of

PoAs. An Africa Carbon Forum 2014 will be organized. Location and dates will be announced. We hope to see you there.

The organizing partners are UNFCCC, the United Nations Environment Programme along with the UNEP Risoe Centre, the International Emissions Trading Association (IETA), the United Nations Development Programme (UNDP), the World Bank and the African Development Bank.

Workshop on enhancing the regional distribution of CDM projects in Asia and the Pacific

On September 4-5, a Workshop on enhancing the regional distribution of CDM projects in Asia and the Pacific will be held at ADB Headquarters in Manila, Philippines. Jointly organized by the UNFCCC secretariat, ADB and IGES with support from UNDP, the event will bring together project developers and CMEs from the region to discuss ways forward for the CDM.

Latin American Carbon Forum 2013

The Latin American Carbon Forum, a trade fair and knowledge sharing event for carbon investments in Latin America, has been scheduled for 28-30 August in Rio De Janeiro, Brazil. The event is free of charge and is the place to discuss the latest developments in the carbon markets as well as how carbon markets and other mechanisms can be successful on the continent.

Read more about the Forum and register at <http://www.latincarbon.com/2013/>

New methodology

- AMS-II.R. Energy efficiency space heating measures for residential buildings

See the methodology [here](#)