

Agenda item 2.2.

Paragraph 5 of the annotated agenda, Annex 1

Financing and use of the CDM by international finance institutions

CDM EB 103

Bonn, Germany

12 to 14 June 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



Purpose

The purpose of this note is to provide the Board with an **update** of the **support** by the secretariat for **Q4 2018 to Q1 2019**

(second half of October 2018 to March 2019)

The previous period was reported at **EB 101**

(April 2018 to first half of October 2018)

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



Agenda item 2.2.

Paragraph 5 of the annotated agenda

Activities as approved (at EB91)

The approved activities as per EB 97:

1. **Green Bond** support development of CDM project financing via green bonds

**Baker
McKenzie.**

ClimateMundial



2. **Crowd-finance** for projects via crowd-investing & -funding platforms



3. **EADB** support to the East African Development Bank



4. **BOAD** support to the West African Development Bank



5. **IDBZ** support to the Infrastructure Development Bank of Zimbabwe



6. **UDB** support to the Uganda Development Bank – with diversion



7. **ASEAN*** loans and bonds for CDM projects in south east Asia

IGES Institute for Global Environmental Strategies



Finance institutions



Agenda item 2.2.

Paragraph 5 of the annotated agenda

*members of the Association of Southeast Asian Nations (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam)

Activities results (since EB91*)

Activities	Projects/proposals	Host country	Continuing partner
1 - GBs	1 x PoA (rice cultivation) 1 x PoA (cookstoves)	Philippines Ghana	UNDP regional office NDC partnership
2 - Crowd	1 x CDM (landfill gas usage) 1 x CDM (landfill gas usage)	Colombia	Private sector company Private sector company
3 - FIs	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)

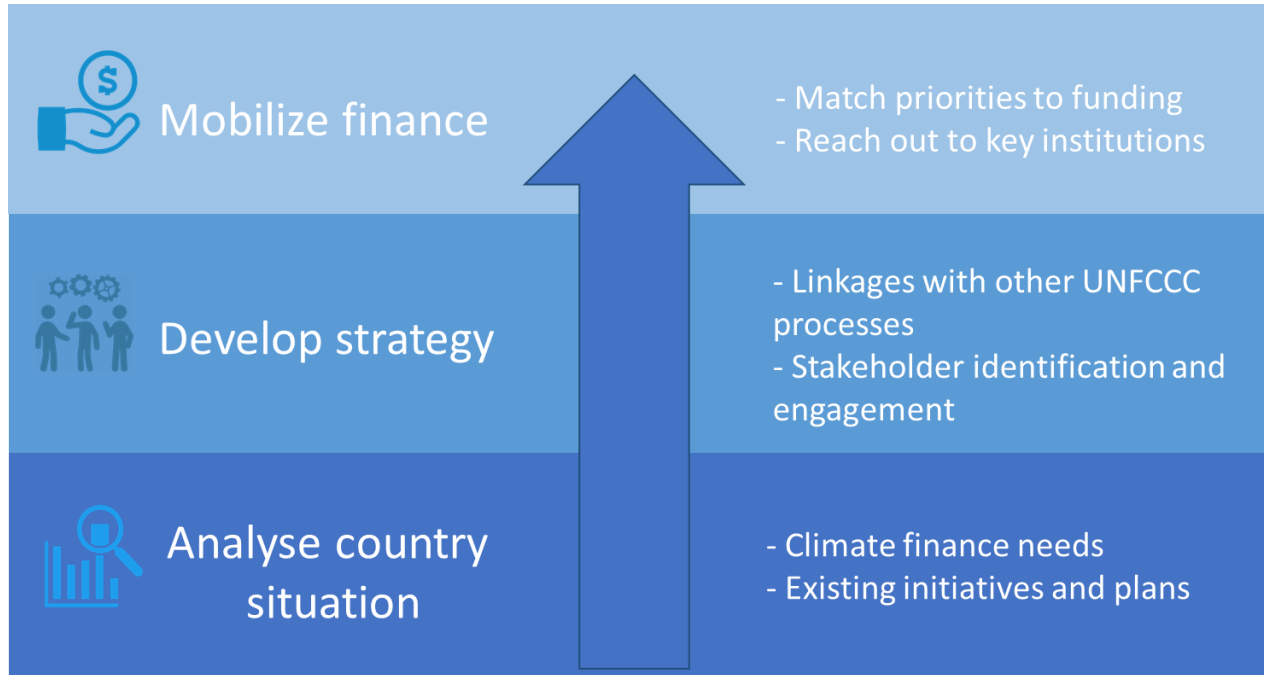


Agenda item 2.2.

Paragraph 5 of the annotated agenda

Complementary mandates & processes

W.r.t. the ongoing activity No. 7 above (paragraph 12(d))



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



Agenda item 2.2.

Paragraph 5 of the annotated agenda

Needs-based Finance Project

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.

Expertise, networks and convening power to assist in a country-driven process by:



COLLABORATE

Collaborate to ensure that project design & workplans are tailored to the specific needs & priorities identified by each country



SUPPORT

Support in organizing, synthesizing & analysing for the development of a national climate finance strategies, identification of relevant stakeholders, facilitate engagement, foster synergies, create opportunities for projects



ASSIST

Assist in reaching out to key public & private financing institutions (domestic & international) to mobilize financing for the priority mitigation & adaptation projects & programmes identified by the partner countries



PROMOTE

Promote linkages with relevant processes locally, regionally and international



FACILITATE

Facilitate the exchange of experiences & lessons learned and the dissemination of project information



Approach to the Needs-based Finance Project

Phase I Initial engagement



Stakeholder mapping for each partner country



Development of engagement strategy



Coordination and collaboration with relevant processes and with external partners

Phase II Technical engagement



Support the enhancement and/or development of options and partners



Inter-agency and multi-stakeholder engagement at the country level



Organization of in-country technical workshops and project pipeline development

Phase III Finance mobilization engagement



Facilitate the connection between support providers and countries, e.g. through conducting outreach activities (roundtables etc.)



Production of project pipelines, including country-specific project materials



REGIONAL MINISTERIAL CONFERENCES ON GREEN ECONOMY



Presentation of projects, success stories & lessons at COPs, Climate Weeks and other high-level engagements



MSG Secretariat
Secretariat du **GFLM**

Melanesian Spearhead Group | Le Groupe Fer de Lance Mélanésien



Agenda item 2.2.

Paragraph 5 of the annotated agenda



SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
TOWARDS A COMMON FUTURE



Impacts

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

All the activities initiated will continue through into 2019.....



Recommendations to the Board

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

