

Financing Opportunities in the Region

East Africa Carbon Forum, 2015
Kampala, Uganda
Ritah Rukundo- RCC Kampala



Outline



Diversification of demand



Existing climate Finance



Online Platform for Voluntary
Cancellation of CERs

Market developments – non market Diversification

1. Compliance purposes

- ✓ Existing demand
- ✓ Emerging trading schemes
- ✓ Emerging approaches (carbon tax, etc.)



2. Voluntary purposes

- ✓ Increase voluntary mitigation action by countries
- ✓ Private companies and organizations
- ✓ Events



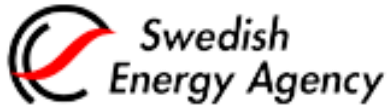
3. Tracking impact wider climate finance

- ✓ MRV
- ✓ Results-based finance
- ✓ NAMAs



Increasingly clear that different uses of the CDM have different needs of CDM building blocks

Existing Climate Finance



Support to climate change mitigation activities in developing countries



Commissioned CDM projects that are vulnerable to the prevailing low CER prices



RE projects that create new energy connections e.g. household solar, biogas



Start-up finance for advanced programmatic emission reduction projects



Pay-for-performance mechanism for methane projects



UNFCCC Regional Collaboration Centre, Kampala



Other Financing Opportunities

CDM LOANS SCHEME



GREEN
CLIMATE
FUND

ADMIRE ADAPTATION
MITIGATION
READINESS



Online Platform for Voluntary Cancellation of CERs

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Background

- Due to domestic politics and lacking ambition, supply exceeds demand in carbon markets
- Project developers face significant challenges to sell issued CERs
- There is limited incentive for new projects

The mechanism requires more demand to continue to contribute to mitigation action and sustainable development.

Voluntary cancellation of CERs

CERs can be used for BOTH compliance and voluntary purposes

Concept of “voluntary cancellation” = effective removal of a CER from further use or transfer.



- Voluntary cancellation can be done:
 - ✓ By organizations or individuals wishing to show leadership by voluntarily offsetting
 - ✓ To increase de facto mitigation (in particular by governments)
 - ✓ To support developing countries (transfer of finance, technology, capacity building, etc.)
 - ✓ To preserve investors' confidence in UNFCCC mandated mechanisms

“The voluntary cancellation tool” (VC tool)

- New online website for direct purchase and cancellation of CERs located in the CDM Registry
- Holders of CERs in the CDM registry will be invited to sell their CERs through the VC Tool, at a price established by them, and at no additional cost.
- To enhance attractiveness of a project's CERS, encouraged to report on co-benefits through the Sustainable Development Tool (the SD Tool).
- Payments will work (PayPal/credit cards), that the seller selects the price
- Launch expected in September 2015 at the Climate Neutral Now day.



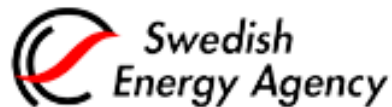
Current & Future Climate Finance

Links to wider **climate finance** and **mitigation tools finance**

- ✓ NAMAs
- ✓ INDCs
- ✓ Climate Change Policies

Higher involvement of the private sector

Innovative climate finance models



Thank you for your attention



UNFCCC Regional Collaboration Centre

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