CDM infrastructure in support of a quick start for the Green Climate Fund

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Andrew Howard, UNFCCC secretariat Manager for Strategy, Collaboration and Communications (Carbon Markets) The flow of funds toward activities that reduce emissions or help adaptation to the impacts of climate change

Further qualifications of a more political nature

- Financial flows from developed to developing countries
- Countries can claim credit for the mitigation impacts or the financial contributions, but not both (no double counting/claiming)
- Private sector funds as well as public sector?

Green Climate Fund (GCF)

- Initial capitalization of over US\$10 billion
- Expected to be the primary vehicle for the US\$100 billion per year
- Urgent need to distribute funds by COP 21



Identification of activities for GCF funding

CDM projects/POAs in search of funding (registered/unregistered)

- Well prepared activities, almost or partially operational
- Refinancing through the GCF offers quick wins to all

Board has approved sharing of project information

CDM Regional Collaboration Centres have much information and regular contacts with project proponents



CDM for delivery of finance

Primary GCF funding models

- Grants
- Concessional loans
- Guarantees of repayment to commercial lending institutions

Could further explore possible funding models

- Ex-post performance payments (grants) based on reductions
- Pre-purchase of CERs via upfront grants
- Price guarantees via options to sell CERs at a fixed price, or to receive the difference from the prevailing market price

GCF leveraging of funds from private sector / green bonds



CDM as an MRV instrument

It's available now!

- Credibility real, measureable, additional
- Comparability across all opportunities and instruments
- Global legitimacy and recognition
- Familiarity of governments, institutions and the private sector



A credible and internationally-recognized standard

Universal applicability, with full comparability

Fully operational as of today, with over a decade's refinement

Leveraging and blending of finance

- Quick start for the GCF
- Maintenance of market activity and private sector

Shared instruments – shared pool of expertise

