

# Report on the Project Consultation Sessions

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## Rationale for Project Consultation

- To make projects happen with a help of CDM
- To give an opportunity to discuss with ADB
  - for direct financial assistance
  - for direct CDM assistance
  - for direct purchase of CERs
- To fill gaps between “ideal” and “realistic” project ideas
- To increase num. of CDM projects in countries with fewer than 10 registered CDM projects



# Summary of proposed project ideas

- Total **24** project ideas from **6** countries received
- CDM assessment conducted for **19** projects
- Project types are diverse, but more REs (hydro, wind) and EE-demand side
- **60%** projects fall into small-scale CDM
- Potential to reduce approx. **2 million t-CO<sub>2</sub>e** of GHGs per year from assessed projects
- Almost half of projects lack **funding supports**



## Overview of one-on-one consultation

Country	Num. consultation	Project Types
<b>Bangladesh</b>	1	Energy efficiency -demand side
		<ul style="list-style-type: none"> <li>➤ CDM may be a key driving force to implement the project</li> <li>➤ Still preliminary stage to design solid financial structure of the project</li> </ul>
<b>Bhutan</b>	1	Hydro power
		<ul style="list-style-type: none"> <li>➤ Potential is high, but each size is too small</li> <li>➤ Require further discussion with the owner to seek PoA approach</li> </ul>
<b>Cambodia</b>	1	Energy efficiency-demand side
		<ul style="list-style-type: none"> <li>➤ High potential to develop as PoA</li> <li>➤ Applied CDM methodology is still uncertain for enforcement</li> </ul>
<b>Mongolia</b>	5	Hydro, Wind, Waste Gas, Biomass, EE-demand side
		<ul style="list-style-type: none"> <li>➤ Some projects are already entering CDM process</li> <li>➤ Large wind firm will be one of the biggest CDM wind power projects</li> <li>➤ Need to discuss how to overcome financial barriers on first-of -its -kind</li> </ul>



# Overview of one-on-one consultation

Country	Num. consultation	Project Types
<b>Nepal</b>	3	EE-demand side, Solar, IWM
		<ul style="list-style-type: none"><li>➤ CDM may be a key driving force to implement the project</li><li>➤ Initiatives were taken before, but being stopped due to lack of funding</li><li>➤ Prior CDM consideration may be one of the barriers for CDM process</li></ul>
<b>Lao PDR</b>	1	Hydro power
		<ul style="list-style-type: none"><li>➤ Many opportunities for hydro power projects to the CDM</li><li>➤ Electricity from hydro is exported to neighboring countries</li><li>➤ Can learn from the Bhutan Dagachhu hydro power registered as CDM</li></ul>
<b>Sri Lanka</b>	1	Hydro power
		<ul style="list-style-type: none"><li>➤ CDM may be a key driving force to implement the project</li><li>➤ A project is already entering CDM process, but the rest of them are still preliminary stage on project implementation</li></ul>



## Summary of discussion

- CDM can be a driving force to forward project implementation
- CDM revenues limited and transaction cost may be a key barrier due to project size
- Some already start CDM process and financially closed, but still needs further CDM assistance
- Projects seeking underlying finance from ADB should be included in the Country Partnership Strategy (CPS) / Country Operations Business Plan (COBP)
- Positive for further discussion to facilitate ADB finance, CDM assistance, and CERs purchase



# A way forward

- CDM documentation has to be supported especially from the beginning stage
- ADB already streamline CDM process including CDM documentation (e.g., CDM prior consideration) to operational loan process
- Transaction cost has to be covered using external financial resources
- Technical Support Facility may provide financial assistance with CDM expertise
- Still unique barriers in the countries
- Need more reform on CDM with DNA assistance

