

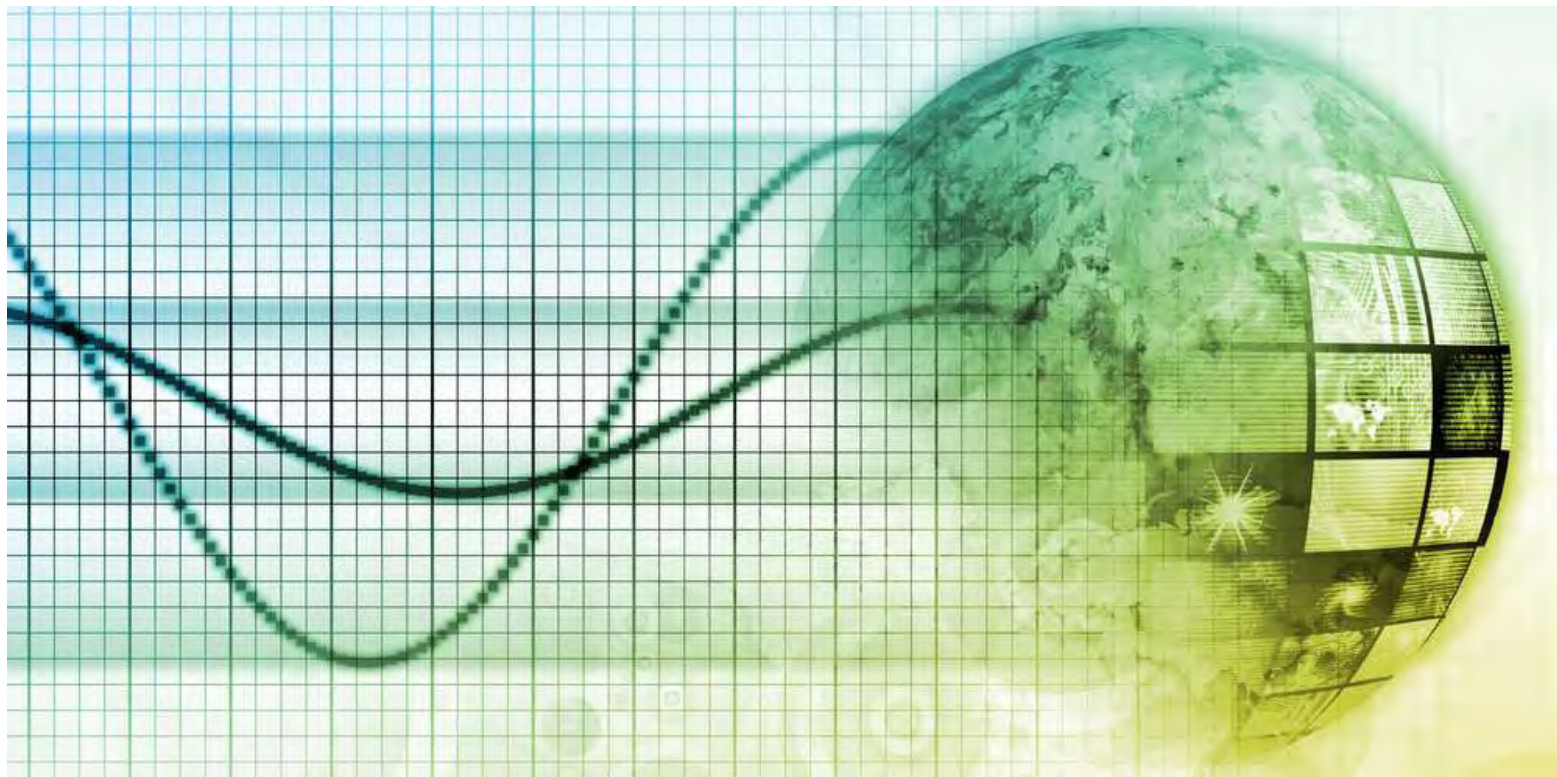


# Workshop on Enhancing the Regional Distribution of CDM Projects in Asia and the Pacific

6–7 September 2011 • Radisson Hotel, Kathmandu, Nepal

## Workshop Report on: Enhancing the Regional Distribution of Clean Development Mechanism (CDM) Projects in Asia and the Pacific

6-7 September 2011,  
Radisson Hotel, Kathmandu, Nepal



Jointly organised by  
Asian Development Bank (ADB)  
Institute for Global Environmental Strategies (IGES)

In partnership with  
The United Nations Framework Convention on Climate Change (UNFCCC)  
Secretariat

Hosted by  
The Government of Nepal

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### **Acknowledgements**

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Although every effort is made to ensure objectivity and balance, the contents of the report does not imply the organizers nor funding partners' endorsement or acquiescence. The organizers maintain a position of neutrality at all times on issues concerning public policy and the contents of the report should not be taken as those which can be attributed to any specific staff-members, officers, directors, trustees, funders, or to the organizations.

## Acronyms

Asian Development Bank	ADB
bus rapid transport	BRT
CDM executive board	EB
certified emission reduction	CER
clean development mechanism	CDM
coordinating and/or managing entity	CME
designated national authority	DNA
designated operational entity	DOE
grid emission factor	GEF
Institute for Global Environmental Strategies	IGES
Intergovernmental Panel on Climate Change	IPCC
Least Developed Country	LDC
letter of approval	LoA
mass rapid transport	MRT
nationally appropriate mitigation actions	NAMAs
pacific island country	PIC
programme of activities	PoA
project participant	PP
Small Island Developing states	SIDs
standardized baselines	SBs
United Nations Framework Convention on Climate Change	UNFCCC
Verified Carbon Standard	VCS

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## Key messages

### Workshop on Enhancing the Regional Distribution of CDM Projects in Asia and the Pacific, 6-7 September 2011, Kathmandu, Nepal

#### I. Overall messages

- **The workshop strengthened partnerships among all the stakeholders.** The workshop aimed to address the regional distribution of clean development mechanism (CDM) projects in Asia and the Pacific in a holistic and comprehensive manner. The event was jointly organized by the Government of Nepal, Asian Development Bank (ADB), the Institute for Global Environmental Strategies (IGES), and the United Nations Framework Convention on Climate Change (UNFCCC) secretariat. It was attended by 137 participants from 29 countries covering all CDM stakeholders. This approach should be continued and replicated in other regions.
- **Balanced and concerted approach is required.** Equitable distribution, especially in the Least Developed Countries (LDCs) and Small Island Developing states (SIDs) as well as those with fewer than 10 registered CDM project activities, requires continued institutional and human capacity building; providing technology and finance opportunity; and more streamlined and standardized CDM rules and modalities while maintaining flexibility to meet the specific circumstances of host countries.
- **The workshop identified projects that could generate real credits with financing in the region.** Potential sectors are not fully tapped in the region due to high transaction cost and complex CDM modalities and procedures. The workshop identified 33 potential projects from 14 countries through one-on-one project consultations. However, most projects need financing support for implementation and management.

#### II. Standardized baselines

- **Standardized baselines (SB) could provide significant opportunities to facilitate the development of CDM projects in LDCs and SIDs.** The effective implementation of SB depends on how the current guidelines will be further developed and how flexible the SB approval procedure will be in simplifying the process and minimizing transaction costs and time while still ensuring environmental integrity.
- **There is room for improvement in the current guidelines.** Suggested improvements may include: clear guidance for the determination of baseline threshold value and additionality; the development of positive lists for additionality demonstration; and integration of the suppressed demand concept among LDCs and SIDs in developing a baseline scenario for SB.
- **A regional approach to the development of SB should be explored.** Data availability is usually a challenge. In this respect, applying regional data and regional baselines could be an option. This regional approach can be enhanced through capacity building among designated national authorities (DNAs), South-South cooperation and activities of the DNA Forum and Sub-regional Forum.
- **Support for the development of SB is imperative.** Funding opportunities supporting the development of SB need to be enhanced. Support for the development of pilot cases is important, and both top-down

approach by the UNFCCC secretariat and bottom-up approach by DNAs, with support from relevant agencies, should move forward quickly.

### **III. Challenges in CDM Project Development and Management**

- **CDM rule should accommodate particular situations in LDCs and SIDs.** Given that most potential projects are small and the lack of standardized and authentic data (e.g. grid emission factor (GEF), benchmark, tariff, etc), flexibility, especially for data quality and monitoring requirements as well as simplified rules for registration and issuance processes, should be introduced. Sub-regional bodies could be involved in efforts to collect regional data, set default values, and benchmarks that project participants (PPs) can then use during validation and verification processes.
- **More flexibility should be given in the guidance.** During the actual project implementation, many unexpected developments may occur, especially in the monitoring stage. There should be flexibility in the approval processes for changes in monitoring plan and deviation requests in light of these unexpected developments.
- **DNAs should be empowered to play an active role in shaping these reforms.** Insufficient national and regional policies and the limited capacity of the DNAs are significant barriers. The DNA approval or Host Country Approval process should be streamlined to reduce delays and additional costs for the project developers in LDCs/SIDs. DNAs should be empowered to play an active role in shaping these reforms. These may include, raising awareness of CDM benefits for projects from underrepresented countries, establishing positive lists, setting default values and expediting the development of SBs.
- **Focused capacity building in countries having fewer than 10 registered CDM projects is essential.** ADB and IGES have been conducting capacity building activities with a particular focus on enhancing the regional distribution of CDM projects. Lessons learned from previous capacity building activities and special needs of underrepresented countries should be considered for more responsive and better designed programs.

### **IV. Sectoral and Regional Opportunities**

- **For South, East and South East Asia, a country-specific approach that identifies CDM potential and adjusts crediting rules is recommended.** Although there is a huge untapped potential for developing renewable energy projects. As project often are delayed from the original implementation schedule, flexibility in the start of crediting period could help keep projects moving forward. It is recommended to develop positive lists, utilise the GEF, and simplify methodologies for reducing the burden of data collection.
- **For Central and West Asia, technical and financial support and identification of potential projects is needed.** The simplification of relevant methodologies for renewable energy, energy efficiency and rehabilitation in the power sector could help accelerate the development and tapping of potential projects in the region. Similarly, exemption of requirements in some methodologies including calculation of GEF

to include electricity exports and imports should be considered to reduce the costs and time collecting data and specific values for parameters.

- **For the Pacific Island States, a regional approach together with enhanced South-South cooperation could help tap the region's CDM potential.** There is a considerable potential for inter-regional (cross border) programme of activities (PoAs) because emission reduction potential from any single Pacific Island states is limited. Cross-border PoAs could help tap this potential but have not been used due to lack of clarity in PoA guidelines and insufficient coordination between key stakeholders and DNAs. Greater stakeholder dialogue, simplified CDM guidelines and procedures, continued capacity building for DNAs will be essential. Regional forums facilitating South-South cooperation to collect information on regional data and setting the SBs could also play a valuable role in facilitating cross-border PoAs.

## **V. Promoting the Uptake of CDM in LDCs and SIDs**

- **An investment climate friendly to market mechanisms is required.** The degree to which CDM penetrates LDCs/SIDs is affected by the surrounding investment climate, which is in turn influenced by a host of political, economic and social factors. Often, policies that are friendly to investments are needed on a broader scale to encourage the development of market mechanisms like CDM in the region. Knowledge exchange and south-south cooperation can help determine the key elements of such an environment. Synergies among national stakeholders, development agencies and research institutes can also help in this regard.

## **VI. Project Consultations**

- A total of 33 project ideas were received from 14 countries out of which projects with CDM potential were identified and shortlisted for one-on-one project consultations. During the meetings, participants discussed CDM potential, financing options and needs with an ADB team of experts. Projects included renewable energy, „less common“ sectors (SF6, CCGT, natural gas leakage, transmission and distribution network efficiency, etc) and cross border PoAs. Most project developers are still seeking financing to either implement or successfully manage their projects. Simplification of CDM modalities and procedures in favor of underrepresented countries could reduce transaction costs and delays for some of these projects.

## Report of the workshop

### I. Organization & aim of the workshop

The workshop on „Enhancing the Regional Distribution of Clean Development Mechanism (CDM) Projects in Asia and the Pacific“ took place on 6-7 September 2011 in Kathmandu, Nepal (Agenda is attached as Annex I). It was jointly organized by IGES and ADB, in partnership with the UNFCCC Secretariat and the Government of Nepal. It was a follow-up workshop from a similar event which was held in Manila, the Philippines in September 2010.

The objective of the workshop is to increase the number of CDM projects in countries with fewer than 10 registered CDM projects across the Asia Pacific, including from Central West Asia and the Pacific regions which were not covered in last year’s workshop. The workshop was attended by 137 participants from 29 countries, including project developers, DNA representatives, designated operational entities and CDM consultants with regional representation (List of participants is attached as Annex II).

The major sessions were: 1) Overview and progress for the development of standardized baselines<sup>1</sup>; 2) Pilot cases on standardized baseline project type; 3) Addressing challenges in CDM project development and management; 4) Identifying CDM sectoral and regional opportunities; and 5) Reasons for the limited uptake of CDM in LDCs. Each session included some time for Q&A. Sessions 2) and 4) were conducted as breakout sessions to facilitate interaction among the participants. All the presentations are available on the IGES website<sup>2</sup>.

### II. Summary of the proceedings

#### **Session 1 Overview and progress on the development of Standardized Baselines**

It was highlighted that many of the desired effects of SBs, such as reducing transaction costs, ensuring transparency, objectivity and predictability and enhancing access, are ultimately intended to scale up CDM projects. SBs are applicable for a country or a group of countries, and may include simplified techniques for demonstrating additionality, establishing baselines, and calculating emission factors. As such, SBs are meant to result in both a new approach and broader application of CDM. The need to address multiple sites with multiple technologies was highlighted as one of the challenges in applying SBs.

The current guidelines of SBs adopted at the 62<sup>nd</sup> CDM executive board meeting only refer to four types of CDM projects: fuel/fuel stock switch, technology switch, methane destruction, and methane formation & avoidance. The draft procedures for proposing SBs are currently under consideration at the time when the workshop is held. The UNFCCC secretariat is seeking feedback from stakeholders for both the guidelines and the draft procedures.

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<sup>1</sup> Standardized baseline: A baseline for a country or group of countries to facilitate the calculation of emission reductions (and removals) and the demonstration of additionality.

<sup>2</sup> [http://www.iges.or.jp/en/cdm/activity\\_regional110906.html](http://www.iges.or.jp/en/cdm/activity_regional110906.html)



The key issues that will need to be considered in establishing the guidelines and the draft procedures for SBs include: applying the guidelines to diverse national and regional circumstances, managing the challenges associated with new monitoring requirements under SBs, the approval process in the draft procedures can be time consuming and looks similar to the process for large scale methodologies, and whether DNAs are the appropriate entities to propose SBs. Regarding the level of aggregation, limited or lack of availability of data at the regional, national and subnational level can be a barrier, which was also highlighted as the critical issue for under-represented regions and sectors. To increase data availability and quality, the need for capacity development regarding data collection and its analysis were suggested. It was pointed out that while significant scope exists under SBs for new type of projects, the environmental integrity should not be neglected.

As for the draft procedures for submission of SBs, clear procedures need to be developed on how the DNAs can propose SBs. DNAs could facilitate coordination among stakeholders in the host countries while technical guidance and financial support for data gathering are necessary for strengthening such role of DNAs. Approval procedures by DNAs are needed for SBs submitted by designated operational entities (DOEs).

## **Session 2 Pilot cases on Standardized Baselines**

### **Group 1 Waste management**

It was discussed that aggregation levels could be a country, region, town, sector, technology, waste composition and others for waste management projects. It was also pointed out that the natural project boundaries would be the base for defining the level of aggregation. Major disposal practices and scenarios, *inter alia*, managed or unmanaged and depth of the dumping site should be identified to establish the baseline scenario for boundary(ies). Positive list was suggested as an approach to simplify additionality determination. Other criteria for the determination may include that there is no regulatory requirement for composting, barriers for implementing composting, and lack of financial attractiveness *per se*.

Under the current methodology, the first order decay model is the requisite calculation formula in order to estimate emission reductions for waste management projects. Further simplification of such model could be done by applying default values used in the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories. Those default values include: (a) composition of solid waste with standardized percentage of the components; (b)  $K_d$ , the decay rate values; and (c) DoC, the fraction of degradable organic carbon. Since input values depend on regions and climate zones, they can also be established by the respective DNAs within their limits of capacity and capability. Simplifying the monitoring procedure with the use of standardized values was also suggested to avoid continuous monitoring of waste material composition.

For establishing SBs, DNAs were recommended to take the initiatives in data collection and preparation of positive list while other stakeholders, including the private sector, should be encouraged to submit proposals.

It was also highlighted that awareness raising and capacity building would be important in encouraging stakeholders to take the initiative in host countries.

### **Group 2 Renewable energy**

It was suggested that SBs should be designed taking into consideration of different circumstances in different sectors. There was a concern raised on how to simplify the baseline while maintaining environmental integrity. The case study revealed that potential emissions from fuel consumption in transporting rice husk were deemed negligible and could be excluded from the calculation of project emission.

It was commonly recognized that data collection was important in establishing SBs and capacity building for monitoring and verification was necessary for improving data collection and its quality. IGES has been working closely with several DNAs to support the establishment of SBs. It was presented that the proposal for biomass gasification in Cambodia would be submitted to DNA Cambodia by the end of this year. Another proposal for fuel switching in Indonesia would be also proposed soon after a final decision to be made by the CDM executive board (EB) on the draft guidance.

### **Group 3 Transport**

Transport sector has been underrepresented in the CDM. It was pointed out that difficulty of data collection required under existing methodologies was one of the major barriers in developing transport CDM projects. Analysis for two methodologies was presented in this group: AM0031 for developing Bus Rapid Transit (BRT), and AMS-III.AA for improving transport energy efficiency. This is to explore ways of making applicable in LDCs and SIDs where transport infrastructure are much needed yet reliable transport data are scarce.

It was suggested that BRT projects in LDCs and SIDs be considered deemed automatically additional, and allowed to use regional or national standardized parameter values, and positive lists. Broader applicability of AMS-III.AA was considered as currently no project has been registered under this methodology. Further, if SBs would be implemented in the transport sector, it would also simplify the measurement, monitoring, reporting and validation process.

### **Group 4 Energy efficiency**

Overall, it was discussed that major issues for establishing SBs for energy efficiency projects include: (a) difficulty in demonstrating additionality as many measures brings profits while savings are relatively small, and transaction costs are higher than the emission reductions; (b) ownership of emissions; (c) complexities associated with quantifying the baseline; (d) double counting issues in multiple technology projects; and (e) difficulties in required monitoring.

An approach that uses benchmarks could be a potential solution for energy efficiency initiatives as it allows simplified baseline determination. The approach may also include positive list for determining additionality and simplification of monitoring requirements. PoA was also suggested rather than standalone CDM.

### **Session 3: Addressing challenges in CDM project development and management**

Participants shared major bottlenecks during the CDM registration and issuance stages. Inconsistencies in documentation was pointed out as the main reason for delay or rejection of possible projects and issuance in the project cycle. Other bottlenecks include inadequate additionality demonstration, inappropriate assumptions for increased capacity of equipment and inadequate monitoring plan (e.g. parameters required by the methodology are not included in the documents), incomplete monitoring parameters, inappropriate calculation of emission reductions, and an insufficient explanation for increase of emission reductions.

From the DOE's perspectives, it was pointed out that issues in underrepresented countries are lack of well-informed consultancies and data (e.g. GEF, benchmark, and tariff), of which relevant documents and calculation sheets are needed to validate and verify emissions reductions. While it was agreed that the requirements must be followed and accuracy must be secured for checking parameters, suggestions were made that some flexibilities should be introduced based upon on-the-ground realities in host countries. Especially the level of required data is suggested to be lessened for LDCs and SIDs as lack of data hampers potential development of CDM projects. However, it is still required to provide technical and financial support for data collection in those countries.

It was highlighted by participants that there is a dearth of capacity building trainings for project developers and DNAs. ADB and IGES have been implementing capacity building activities with particular focus on enhancing the regional distribution of CDM projects. For instance, ADB's CDM related capacity building activities have been ongoing for many years with concrete results as more projects get identified and enter into the CDM pipeline. It provides CDM related technical support to projects in its lending pipeline and helps strengthen the institutional capacity of its member countries including establishing the DNAs in underrepresented countries. Nevertheless, more focused capacity building activities are needed. Lessons learned from previous capacity building activities and special needs of underrepresented countries should be considered for more responsive and better designed programs.

It was observed that the administrative processes of CDM have been improved due to expert team's support and inputs. In order to increase accessibility of the CDM, it was suggested that guidelines can be improved in terms of clearer definitions. These include flexibility in the start date of the crediting period, further clarification on investment analysis guideline, clarification and simplification of the sampling method, and approval of minor changes and deviations. It was also recommended to facilitate utilization of simplified approaches—e.g. positive lists, default values and clear guidance on the micro-scale additionality tool. SBs was also highlighted as one of the available options for PPs to simplify CDM procedures.

## **Session 4: CDM sectoral and project opportunities**

### **Group 1: South, East and South East Asia**

LDCs and SIDs have good potential in several sectors, most notably in renewable energy, as significant suppressed demand exists and EU emission trading scheme (EU-ETS) would have its market after 2012 for those credits generated from those countries.

Perceived barriers for developing projects in the region include lack of policies and less experience that cause delay in project implementation, unavailability of external assistance, difficulties with CDM modality in developing PoA (e.g. in demonstration of additionality and eligibility at PoA and CPA respectively, definition of geographic boundary and technologies, and implementation of monitoring), and high transaction costs of PDD development, validation and verification.

Suggested measures include flexibility in start date of crediting period, development of suppressed demand methodologies, experience sharing and development of positive lists. While SBs can be another measure to facilitate project development, it needs to be developed according to the countries' capacity and baseline situation preferably with assistance from UNFCCC or other institutions.

### **Group 2: Central and West Asia**

This region has wide range of geographical conditions and is vulnerable to climate change. It has 12 % share of registered projects. Potential sectors in the region include energy efficiency, hydropower, agriculture, building sector and leakage reduction in gas pipeline. In some cases, it was mentioned that absence of consultants, language, and data availability were barriers in project development.

Regional cooperation is required. It was proposed to include broader scope in calculating GEF considering neighboring country's GEF in cases when a host country has high share of renewable energy in its total electricity generation and export generated electricity to the neighboring countries which have high fossil fuel share in their electricity portfolio. It was suggested to develop a potential area map for wind and solar power projects in the region to make coordinated policies for renewable energy, tariff, provision of electricity in off grid areas, export and subsidies. As such, host countries' understanding and the help for implementation of projects is important.

### **Group 3: Small Islands Developing States**

One of the characteristics of Pacific countries is dispersed characteristics divided by ocean. It was mentioned that 70% of people in Pacific Island Countries (PICs) still do not have access to electricity. Regarding CDM opportunities, switching fossil fuel to biomass based fuels for engine (e.g. coconut, vegetable oil, or biomass gasifier), renewable energies, waste water and solid waste management, and transport sector for fuel switching have high potential. It was pointed out that these potentials were not realized as the project scale tended to be

so small that transaction cost could be covered. Moreover, still few DNAs are established. The limited awareness and low capacity of national governments as well as private sector has been a significant barrier to the CDM development. It was suggested to set a Forum on experience transfer between DNAs to non-established region. There are several opportunities to hold SIDs DNA Forum. The Forum might be held back to back with the DNA Forum or other established workshops.

As a way forward, it was suggested that project validity should be increased through bundling, cross border project integration, and PoA (e.g., in case of cross border micro-scale PoA, regional body special-purpose companies could be a possible CME in PICs). Facilitation of cross border cooperation including data exchange between DNAs was suggested. SBs have a lot of potential for data sharing to establish regional data and scenarios although it seems challenging as the baseline setting would be different from country to country due to the differences in national grid and local grid emission factors.

### **Session 5: Reasons for lower uptake of CDM in LDCs**

The barriers are generally similar among LDCs. First, LDCs are not yet industrialized so large scale CDM opportunities are low which lead to less interest from financial institutions and project developers. To improve the situation, creation and strengthening of financial institutions were recommended. The degree to which CDM penetrates LDCs/SIDs is affected by the surrounding investment climate, which is in turn influenced by a host of political, economic and social factors. Aside from the high cost of hiring DOEs relative to the small amount of CERs from small projects, it was pointed out that DOEs were reluctant to participate in LDCs.

From the project developer's point of view, the key issue is certainty. Uncertainty and other transaction risks should be minimized. The support of the host country (e.g. in issuing host country approval) is an important factor to ensure the level of project certainty. Host country approval should be given in transparent manner and the approval process should be streamlined to reduce delays and additional costs for the project developers in LDCs/SIDs, since DOEs will also check the project's consistency and environmental integrity. Since LDCs and SIDs generally lack data and capacity, top down approach could be considered in developing national benchmarks in order to expedite the approval process.

As CDM has two objectives of achieving GHG reduction and sustainable development, registered projects should contribute to the sustainable development of host countries. From the host countries' point of view, it is important to see tangible results of what can be derived from the project, i.e., whether or not the project contributes to the sustainable development agenda of the host countries. It was also deliberated that DNAs should be encouraged to create awareness about special benefits available to projects from underrepresented regions.

Other mechanisms aside from the CDM were also discussed. There may be opportunities for projects with small amount of CERs but high sustainable development co-benefits, e.g., Gold Standard, can be an option for

such type of projects. As implementation of CDM projects undergo complicated processes while market uncertainty after 2012 exists, development of other carbon markets was viewed as an alternative market to CDM

On capacity building, DNAs and project developers were recommended to build their capacity around concrete projects to identify bottle necks and learn from actual experiences. Knowledge sharing is an effective tool for further development. Measures suggested as way forward include exploring options for loan schemes, South-South cooperation, SB development and development of nationally appropriate mitigation actions (NAMAs) for post 2012.

### **III. Conclusion & follow-up actions**

The workshop received positive feed-backs from the participants and was recognized as good opportunities for capacity building. To enhance regional distribution of CDM projects in Asia and the Pacific, strengthening human capacity is important. Seeking quality CDM technical assistance is also deemed as a key to the success of CDM process while simplification of CDM modalities and procedures in favor of under-represented countries can effectively reduce transaction costs of some types of projects.

It was broadly agreed that LDCs and SIDs have a good CDM potential in several sectors which have not been fully tapped, especially for renewable energy. Other potential areas include energy efficiency, agriculture, building sector and transportation. Potential of inter-regional (cross border) PoA especially for micro-scale project was also suggested while coordination among relevant DNAs may be a challenge to address.

High expectations were recognized on the establishing SBs to streamline the CDM project cycle. The event gave opportunities to discuss SB and other technical matters as well as to participate in one-on-one project consultations with CDM experts. There are rooms for improvement of SB guidelines, e.g., regional approach or regional baseline for LDCs and SIDs. In order to develop SBs, bottom up development of SB proposal needs to be facilitated with pilot cases. It was suggested that continuation on capacity building for DNA is essential. DNA Forum could be tapped for the capacity development needs. To this end, it was proposed to strengthen the function of DNA Forums at sub-regional level, which could be a hub to collect information on regional data and setting SBs.

As there are financial constraints in project development and implementation especially in LDCs and SIDs, it was suggested that underlying financing is critical to translate the concepts/feasibility studies into real actions to make the projects happen. Carbon co-financing at early stages is effective approach. Aside from CDM, there are other opportunities, such as Verified Carbon Standard (VCS), Gold Standard, in order to minimize high transaction costs and expedite the registration process.

In terms of improving CDM accessibility, it was suggested to provide more flexibility in rules and procedures,

e.g., in the start of crediting period, developing positive lists, utilising GEF, and simplifying methodologies especially for reducing the burden of data collection and monitoring.

Overall, the workshop was successful in gathering stakeholders from broad sectors and countries in the region, to identify issues and potential solutions together. It was agreed that conducting this workshop as an annual event will be continued.

## **Introduction to the Organisers**

**ADB:** ADB through its Carbon Market Program (CMP) uses the carbon market as a tool and offers technical and financial services to developing member countries in conjunction with regular financing operations. The CMP is a comprehensive value-added service extended to greenhouse gas mitigation projects in Asia and the Pacific suitable for financing by the ADB.

**IGES:** started the CDM capacity building program in 2003 in the seven countries of China, India, Indonesia, the Philippines, Thailand, Lao and Cambodia where it conducts capacity-building, training, as well as other activities. IGES currently also maintains a CDM database, which provides useful information for stakeholders in this sector.

**UNFCCC secretariat:** The secretariat to the United Nations Convention Framework on Climate Change (UNFCCC) services the CDM Executive Board and is mandated to support designated national authorities and the Designated National Authorities Forum by providing training opportunities for clean development mechanism stakeholders and facilitating information exchange and awareness-raising at the regional and sub regional levels.

This report is prepared by IGES Market Mechanism Group with comments and inputs provided by ADB and UNFCCC secretariat. Any questions and comments should be addressed to the following:

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## Day 1, 6 September 2011<sup>3</sup>

**1:00 pm – 1:30 pm Registration**

**1:30 pm – 2:00 pm Opening Plenary**

Moderator: Jiwan Acharya, Climate Change Specialist (Clean Energy), ADB

### Opening Remarks:

ADB – Barry J. Hitchcock, Country Director, Nepal Resident Mission

IGES - Hideyuki Mori, President and Programme Managing Director

UNFCCC – Amit Thusu, Secretariat, SDM Programme

Ministry of Environment, Nepal- Krishna Gyawali, Secretary

**2:00 pm – 3:00 pm Technical Session 1: Overview and progress on the development of Standardized Baselines**

Moderator: Hideyuki Mori, IGES

1. *Introduction of Guidelines for the establishment of sector specific standardized baselines*, Veronica Colerio, UNFCCC Secretariat
2. *Practical approach for the development of standardized baselines*, Gareth Phillips, Chair, Project Developer Forum
3. *Expectations and the role of DNA for standardized baselines*, Albert Magalang, Co-chair, DNA Forum

**3:00 pm – 3:30 pm Group Photo/ Coffee Break**

**3:30 pm – 5:30 pm Technical Session 2: Breakout sessions - Pilot cases on Standardized Baselines**

**3:30 pm – 4:30 pm**

Group 1 Waste Management	Group 2 Renewable Energy
<p>Moderator: Hideyuki Mori, IGES</p> <ol style="list-style-type: none"> <li>1. <i>Compost Project</i>, Hemant Nandanpawar, International CDM Expert, Technical Support Facility, ADB</li> <li>2. <i>LGU Compost Project</i>, Naoki Torii, Researcher, Market Mechanism Group, IGES</li> <li>3. Open Floor - Q&amp;A session</li> </ol>	<p>Moderator: Veronica Colerio, UNFCCC</p> <ol style="list-style-type: none"> <li>1. <i>Biomass Gasification</i>, Akiko Fukui, Researcher, Market Mechanism Group, IGES</li> <li>2. <i>Fuel switch for biomass</i>, Syahrina D. Anggraini, Program Director, Carbon and Environmental Research Indonesia</li> <li>3. Open Floor - Q&amp;A session</li> </ol>
Group 3 Transport	Group 4 Energy Efficiency
<p>Moderator: Wei Zhou, International CDM Expert, Technical Support Facility, ADB</p> <ol style="list-style-type: none"> <li>1. <i>Bus Rapid Transit</i>, Jane Romero, Researcher, Climate Change Group, IGES</li> <li>2. <i>Transport Energy Efficiency</i>, Alan Silayan, Managing Director, CaFiS Inc.</li> <li>3. Open Floor - Q&amp;A session</li> </ol>	<p>Moderator: Toru Kubo, UNFCCC/ADB</p> <ol style="list-style-type: none"> <li>1. <i>Replacement of inefficient boilers</i>, Yuriko Koyanagi, Researcher, Market Mechanism Group, IGES</li> <li>2. <i>Approach for EE project standardization</i>, Gareth Phillips, Project Developer Forum (tbc)</li> <li>3. Open Floor - Q&amp;A session</li> </ol>
<b>6:00 pm – 7:30 pm Reception Hosted by ADB &amp; IGES</b>	

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<sup>3</sup> One-on-one project consultations will be held on 6 September 2011 from 08:30am – 12:00pm





# Workshop on Enhancing the Regional Distribution of CDM Projects in Asia and the Pacific

6–7 September 2011 • Radisson Hotel, Kathmandu, Nepal

## Day 2, 7 September 2011

### 9:00 am – 09:30 am Report on Technical Session 2

Moderator: Amit Thusu, UNFCCC

Report on Technical Session 2, Jane Romero, IGES

### 09:30 am – 10:00 am Coffee Break

### 10:00 am – 12:00 pm Technical Session 3: Addressing challenges in CDM project development and management

Moderator: Kazuhisa Koakutsu, IGES

1. *Common reasons for delays and rejection of CDM projects*, Miguel Naranjo, UNFCCC
2. *Project analysis to identify reasons for delay in validation and issuance and propose practical solutions to the CDM EB*, Kumaraswamy Chandrasekara, DNV
3. *Efforts initiated to remove the bottlenecks*, Rakshya Thapa, International CDM Expert, Technical Support Facility, ADB
4. Open Floor – Q&A session

### 12:00 pm – 1:30 pm Lunch Break

### 1:30 pm – 3:00 pm Technical Session 4: Breakout sessions – CDM sectoral and project opportunities

Group 1 South, East and South East Asia	Group 2 Central and West Asia	Group 3 Small Islands Developing States
Moderator: Naoki Torii, IGES	Moderator: Rey Guarin, Carbon Market Specialist, Climate Change Team, ADB	Moderator: Hudson Ata Kauhiona, Ministry of Environment, Conservation and Meteorology, Solomon Islands
<ol style="list-style-type: none"> <li>1. <i>Sectoral Opportunities</i>, Hemant Nandanpawar, ADB</li> <li>2. Project presentations               <ol style="list-style-type: none"> <li>a) <i>Promotion of the Improved Water Mills in Nepal</i>, Raju Laudari, Alternative Energy Promotion Centre, Nepal</li> <li>b) <i>Angkor Bio Cogen Project</i>, Adisorn Chieu, Angkor Bio Cogen. Ltd., Cambodia</li> </ol> </li> <li>3. Open Floor – Q&amp;A session</li> </ol>	<ol style="list-style-type: none"> <li>1. <i>Sectoral Opportunities</i>, Keisuke Iyadomi, International CDM Expert, Technical Support Facility, ADB</li> <li>2. Project presentations               <ol style="list-style-type: none"> <li>a) <i>CASAREM - Talimarjan Power Generation and Transmission Project</i>, Djamshid Abdusalamov, Uzbekenergo, Uzbekistan</li> <li>b) <i>CDM opportunities in Georgia</i>, Grigol Lazriev, Ministry of Environmental Protection, Georgia</li> </ol> </li> <li>3. Open Floor – Q&amp;A session</li> </ol>	<ol style="list-style-type: none"> <li>1. <i>Sectoral Opportunities</i>, Darshak Mehta, International CDM Expert, Technical Support Facility, ADB</li> <li>2. Project presentations               <ol style="list-style-type: none"> <li>a) <i>Kinoya Sewerage Treatment Plant Project</i>, Taito Delana, Water Authority of Fiji, Republic of Fiji</li> <li>b) <i>Port Vila Urban Development Project</i>, Srikanth Subbarao, ADB</li> </ol> </li> <li>3. Open Floor – Q&amp;A session</li> </ol>

### 3:00 pm – 3:30 pm Coffee Break

### 3:30 pm – 5:00 pm Technical Session 5: Reasons for lower uptake of CDM in LDCs: Learning from successful host countries (Interactive Q&A session)

Moderator: Xuedu Lu, Advisor (Climate Change), ADB

*Lower uptake of CDM in LDCs: Lessons from promotion of developing financial mechanisms*, Vinay Deodhar, Deputy Team Leader, Technical Support Facility, ADB

Panel Members: (1) Toru Kubo, UNFCCC/ADB; (2) Gareth Phillips, Project Developer Forum; (3) Dicky Edwin Hindarto, National Council on Climate Change, Indonesia; (4) Chan Thou Chea, Ministry of Environment, Cambodia

### 5:00 pm- 6:00 pm Plenary

Moderator: Jiwan Acharya, ADB

1. *Report on standardized baselines*, Kazuhisa Koakutsu, IGES
2. *Report on project consultations*, Wei Zhou, ADB
3. *Report on the technical session 4: Breakout sessions*, Vinay Deodhar, ADB
4. *Wrap up of the workshop*, Albert Magalang, Co-chair, DNA Forum
5. *Closing Remarks*, Batu Krishna Uprety, Joint Secretary, Ministry of Environment, Nepal

## Aneex II – List of the participants

Country	Organisation	Unit / Division
BANGLADESH	Ministry of Local Govt, Rural Development & Cooperative's	Urban Public & Environmental Health Sector Development Project
	Department of Environment	
	Industrial and Infrastructure Development Finance Co. Ltd. (IIDFC)	
BHUTAN	Bhutan Power Corporation Limited	Industrial Infrastructure Development Division
	Druk Green Power Corporation Limited	Environmental Unit/ Energy & Climate Change Division
	Punatsangchu Hydroelectric project Lobeysa : Wangdue	Chief Environment Officer
CAMBODIA	Ministry of Environment, Climate Change Office	
	Angkor Bio Cogen Co., Ltd	
	Cassava Starch production	
	Nexus, Carbon For Development	
	W2E Siang Phong Ltd.	
FIJI	Water Authority of Fiji	Production
GEORGIA	Ministry of Environment Protection of Georgia	
GERMANY	German Emissions Trading Authority	
INDIA	Det Norske Veritas AS	Climate Change & Environmental Services
	FINNACLE Capital Advisors	
	INDO-US Science & technology Forum	Energy & Climate Change Division
	Nexus Carbon for Development	Board of Directors
INDONESIA	National Committee on Clean Development Mechanism	
	CER Indonesia	
LAO PDR	Water resources and Environment Administration, WREA	
	Electricite du Laos	Environmental Office, Technical Department
MALAYSIA	Ministry of Natural Resources and Environment	
MALDIVES	Ministry of Housing and	

	Environment	
MONGOLIA	Ministry of Nature Environment and Tourism	Ecologically clean technology and Science Division,
	Mayor's Office of the Capital city	Air Quality agency of the Capital city
	Qleantech LLC	Administrative Unit
MYANMAR		
NEPAL	Ministry of Energy	
	Ministry of Environment, Science and Technology	Climate Change Management Division
	Ministry of Forest	
	Ministry of Labour and Transport	
	Ministry of Local Development	
	Ministry of Physical Planning and Works	
	Alternative Energy Promotion Centre	
	CEDBL	
	Centre for Rural Technology, Nepal (CRT/N)	
	CEPAD	
	Confederation of Nepalese Industries (CNI)	
	CRT	
	Dept of Environmental Science & Engineering, Kathmandu University	
	Federation of Nepalese Chambers of Commerce and Industry (FNCCI),	
	Green Earth Nepal	
	Himalayan Distillery	
	JICA Nepal	
	NPCS	
	SNV Nepal	
	Soaltee Hotel Limited	
UNDP Nepal		
VSBK		
Winrock International		
WWF Nepal	Climate Change, Energy and Fresh Water	

PAKISTAN	Ministry of Environment,	
	Ministry of Planning & Development	Project Wing, Planning Commission
	Ministry of Water & Power	
	Economic Affairs Division	
	Pakistan Electric power Company	Project Management Unit
PAPUA NEW GUINEA	PNG Power LTD.	Strategy & Marketing Business Unit
PHILIPPINES	Environmental Management Bureau	
	CaFiS Inc.	
SINGAPORE	Sindicatum Carbon Capital Group Limited	
SOLOMON ISLANDS	Ministry of Environment, Conservation and Meteorology	
	Ministry of Mines, Energy & Rural Electrification	Energy Division
SRI LANKA	Ministry of Environment	
	Ceylon Electricity Board	Broadlands Hydropower Project
	Sri Lankan Carbon Fund	
SYRIA	Ministry of State for Environment Affairs, Syria	
TAJIKISTAN	Ministry of Energy and Industry	
THAILAND	Thailand Greenhouse Gas Management Organization (TGO)	
TIMOR EAST	Ministry of Economy and Development	
TURKMENISTAN	Ministry of Nature Protection of Turkmenistan	
	CRM Program	
USA	Heruka Power	
UZBEKISTAN	Ministry of Economy	
	Ministry of Finance	Main Department of External Assets & Liabilities
	Republic of Uzbekistan, 'Uzbekenergo', SJSC	Department of Foreign Economic Relations and Investment

	Neftegazinvest, Subsidiary company of NHC, Uzbekneftegaz	Coordinating Group on the Implementation of projects on energy saving and recycling of passing gas
VIET NAM	Department of Meteorology, Hydrology and Climate Change, Ministry of Natural Resources and Environment of Vietnam	
YEMEN	Environment Protection Authority (EPA) Ministry of Water and Environment	
	ADB	Environment, Natural Resources & Agriculture Division/CWRD (CWER)/Future Carbon Fund Nepal Resident Mission/Office of Director General/Sustainable Infrastructure Division/Technical Support Facility
	UNFCCC	Sustainable Development Mechanism
	IGES	Market Mechanism Group