

# **Assessment of CDM in Egypt**

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Egyptian DNA

## **CDM Project Statistics in Egypt** (Mar 10)

<b>#</b>	<b>Status</b>	<b>Number of Projects</b>
<b>1</b>	<b>Accepted by DNA</b>	<b>57</b>
<b>2</b>	<b>Approved by DNA</b>	<b>15</b>
<b>3</b>	<b>Pipeline</b>	<b>3 (LoA) + 2 (LoN)</b>
<b>4</b>	<b>Request for rev.</b>	<b>1</b>
<b>5</b>	<b>At for val.</b>	<b>7</b>
<b>6</b>	<b>Registered</b>	<b>4</b>
<b>7</b>	<b>Request Reg.</b>	<b>1</b>
<b>8</b>	<b>Others</b>	<b>2</b>
<b>--</b>	<b>Portfolio</b>	<b>120</b>

# Experienced problems

- **Institutional;**
  - Lack of adequate institutional capacity for identification and development of CDM projects
  - Lack of dedicated staff in the DNA
  - Very few project developers
  - Lack of trust
  - Lack of competence on carbon contracting
  - Lack of key players contribution (banks, private sector, NGOs)
- **Financial;**
  - Lack of financial sustainability of DNA
  - Lack of underlying finance for CDM project identification and development (bottom-up approach)
  - High transaction costs of CDM projects
  - Lack of early finance availability
  - Low rate of return
  - Low attractiveness of some types of projects (e.g. fuel switching)

# Experienced problems

- **Technical;**
  - Lack of awareness on CDM
  - Lack of adequate technical capacity for identification and development of CDM projects
  - Lack of marketing effort to attract CDM investors
  - Uncertainties of CDM post 2012
  - Lengthiness of the CDM cycle (PDD preparation-Validation-Registration)
  - Insufficient promotion efforts
  - Lack of awareness on CERs marketing and monetizing
- **Political;**
  - Insufficient supporting policies
  - restricting rules to access the main sectors
  - fuel subsidies
  - electricity tariff

# Recommendations

- **Institutional;**
  - Strengthen the DNA
  - Develop national expertise capacities on CDM
  - Enhance the involvement of key players (Private sector, Banks, NGOs)
- **Financial;**
  - Encourage the establishment of national carbon funds
  - Exemption of RE and EE projects from registration fees
- **Technical;**
  - Increase CDM awareness
  - South-south cooperation
  - Clarify post-2012 climate regime
  - Develop/update and promote CDM portfolio