

Linking the CDM & the Green Climate Fund

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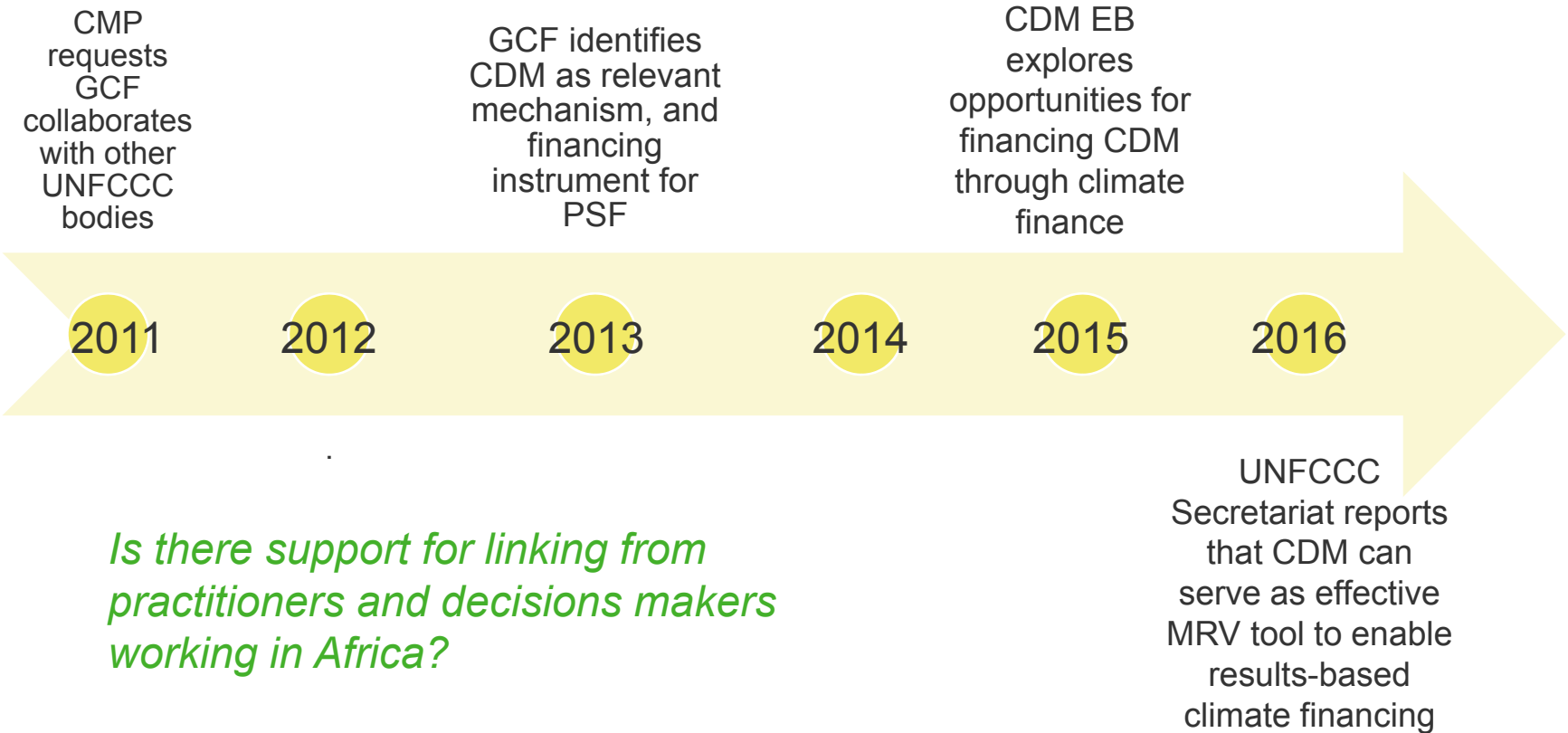
Insights from practitioners and decision-makers in Africa



13 July 2017



Context



Is there support for linking from interviews?

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Majority yes

GCF is seeking	CDM provides
'Paradigm shift' potential	Programmes of Activities
Mobilisation of climate finance	Pipeline of activities rapidly mobilised and scaled-up
Private sector engagement	Proven private sector engagement
Projects that have a mitigation impact	Tested methodologies Default factors Verifiable and transparent approach

But, there are reservations:

- Long project development and issuance timeline
- Costly certification procedures
- CDM not applicable to all project types

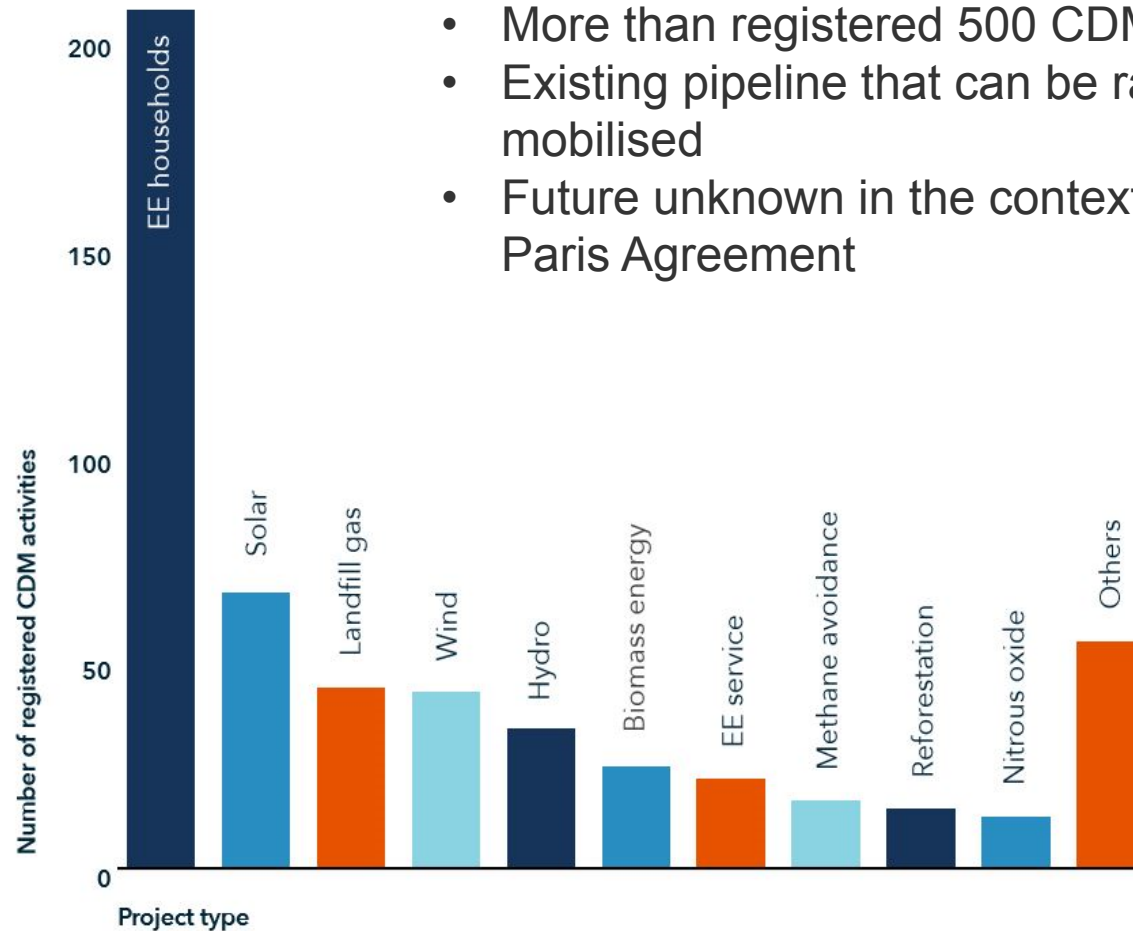
Notable insights

CDM project developers

Seeking up-front financing

Equity & concessional loans sought for revenue-generating activities
Grants for outreach and capacity building

The CDM pipeline in Africa



- More than registered 500 CDM activities
- Existing pipeline that can be rapidly mobilised
- Future unknown in the context of the Paris Agreement

Project developer's perspectives

*“CDM certification can bring added value to the GCF by offering a framework for **standardising emission reduction calculations** through the use of approved methodologies. However ... the CDM registration process needs to be simplified to reduce the **transaction cost** for projects.”*

David Simbiri – Director of Marine Power Generation Company Limited (MPG)



*“CDM is a key tool that can provide a transparent and robust system to both **track** where climate finance is flowing and also monitor whether it is being **used effectively**”*

Aurélie LePage, CEO and co-founder of AERA Group

Project developer's perspectives

“We expect that our project will be able to meet the GCF’s eligibility criteria without any difficulties.”

Olivier Mushiète – Manager and Board Member of agro-industrial and public relations SMEs



“GCF eligibility criteria are not more strenuous than that of the CDM, yet we would welcome greater clarity on eligible financial instruments for the private sector, levels of contribution and modalities for accessing preparation funds.”

David Billon – Founder of Biokala and Board Member of SIFCA Group