

The CDM Loan Scheme

Background and basic requirements

4th African Carbon Forum

Addis Ababa, Ethiopia

April 18th, 2012



Background

- The Conference of the Parties serving as the meeting of the Parties (CMP), adopted the **guidelines and modalities for the operationalization of a loan scheme** at CMP.6 in Cancun, Mexico.
 - In countries with fewer than 10 registered project activities
 - To cover for the costs of:
 - Development of PDDs
 - Validation
 - First verification
- Potential to benefit approximately **80 countries**
- Funds from the interest accrued on the **CDM Trust Fund**, and voluntary contributions



Latest developments

- UNFCCC secretariat conducted a procurement process for selecting an **implementing agency**
 - **Maintain independency** in the loan recipient selection process
 - **Open** to UN agencies and other bidders (private sector)
- As a result of the selection process, the **United Nations Office for Project Services (UNOPS)** was selected, in a joint proposal with the **UNEP Risoe Centre** at the Danish Technical University.
- Administrative arrangements in place, and ready to go.
- Funds available: USD 5,7 million (incl. administrative costs)



- UNFCCC secretariat will:
 - Approve annual business plans by UNOPS/URC
 - Review quarterly reports
 - Approve annual financial and operational reports
- Review the performance of the Loan Scheme and take action as necessary
- Report to the CDM Executive Board and implement modifications requested by the Board or CMP



Thank you.

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