Capacity Development for the Clean Development Mechanism (CD4CDM) Project

Government of Tanzania/Government of the Netherlands/UNEP Risoe Center Special Joint CDM Workshop

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Opening remarks by Glenn Hodes, Energy Economist, UNEP Risoe Center

Hon. Minister of Environment and his representative, H.M.A. of the Netherlands to Tanzania, Representative of the Netherlands Ministry of Environment, Housing, and Spatial Planning, Colleagues from EPMS and CEEST Foundation, Representatives of Tanzanian government Ministries, donor agencies, NGOs, the private sector, and financers, ladies and gentlemen:

I am pleased to help open this special joint seminar on the CDM co-sponsored by my organization, the United Nations Environment Program (UNEP) Risoe Center, along with our longstanding partners from the Government of the Netherlands, and the Tanzanian Government. We are both excited and thankful to have a chance to deepen our partnership for a better future for the beautiful United Republic of Tanzania.

You are probably here because carbon trading, despite its youth, is one of the fastest growing new markets in the world; and because it has the potential to revolutionize traditional approaches to infrastructure development and sustainability planning in countries such as Tanzania. The CDM is proving to serve exactly as it was originally conceptualized to do: to be an important tool for all countries to work together in the fight against global climate change and to promote innovation, new channels for investment and technology transfer along the way.

In 2007, around Euro 5 billion worth of carbon credits were transacted between CDM project stakeholders, representing many hundred million tones of CO2 equivalent emissions abated or avoided to the atmosphere. The current CDM market is characterized by a large number of procurement programs seeking to buy CERs from CDM projects in developing countries. At the same time, however, this high demand for CDM projects is not being matched by a supply of well-designed CDM projects commensurate with rapidly growing demand. In addition, many important stakeholders in Tanzania are still unfamiliar with the mechanisms of carbon trading and the business opportunities that they represent. Today's event seeks to change this situation.

The low level of sub-Saharan African participation in the CDM is truly cause for concern. This was a key discussion topic at previous climate change talks in Nairobi in 2006 and in Bali this year. The UN Secretary General announced a joint initiative by international organizations including UNEP, the UNFCCC, UNDP, the World Bank and African Development Bank called **the Nairobi Framework on capacity building for CDM** - to enhance geographic equity and accessibility to CDM, a direct response to needs expressed collectively by the group of African countries and championed by Tanzania's own representative to this group who is with us today. The Nairobi Framework aims at achieving the following objectives:

1. Enhance the capabilities of the national CDM offices in host countries
2. Build CDM capacities in host governments through coordination and implementation of CDM capacity building programs.
3. Promote SS African countries as CDM destinations.
4. Facilitate free of charge information exchange about CDM and African countries among the buying community.

For the UNEP Risoe Center, this call to action simply represented a scaling up of "business as usual". The Center has supported the development of the CDM market through various activities since its inception. This includes assisting dozens of countries to operationalise the CDM through projects such as CD4CDM and others. As a multilateral, non-commercial actor our small team of experts leverages their technical expertise to implement analytical and country-specific capacity development activities all around the world.

In Tanzania for example, we are supporting the development of a pipeline of CDM projects, providing support to operationalize the CDM Designated National Authority (DNA), and implementing a number of training events such as this one for policymakers, local experts, and other stakeholders, including local financial organizations. But UNEP Risoe is perhaps equally known in this field for its "open source" analytical and market surveillance products including monthly updated statistics on the global CDM pipeline, a series of guidebooks targeting CDM project developers, and working papers on critical topics in the carbon market.

The CDM market has grown and matured remarkably fast. Yet it is still in its infancy, and we are all still learning together. That is why such events are so valuable to all.

Our objective has been and remains to facilitate an open exchange of knowledge, skills, and experience between developed and developing countries, between buyers and sellers of carbon credits, so as to secure additional and equitable CDM transactions.

We hope that the results of this partnership will be shortly evident in helping Tanzania achieve this aim. Thank you for your participation and attention.