

Lessons from the Foundation for programmatic approaches

COP 24 Side Event

“Unleashing the potential of market mechanisms”

Katowice, December 5, 2018

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COP24·KATOWICE 2018
UNITED NATIONS CLIMATE CHANGE CONFERENCE

Agenda

- The **Foundation's** approach
- **Four PoAs** in Africa – key outcomes
- Lessons for the **upscaling** under Art. 6
- Recommendations for the **Paris Rulebook**



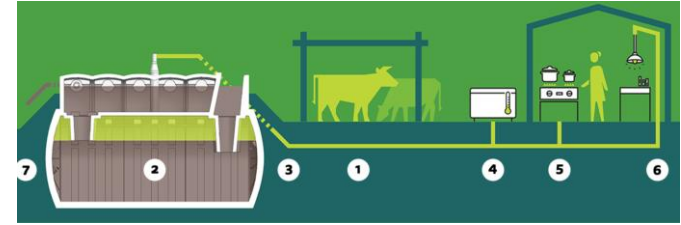
The Foundation's approach

- Prove that **programmatic mitigation approaches** can encourage **private investment** in **developing countries**
- Foundation provides **start-up finance** for **individual programmes** linked to **performance milestones**
- Catalyzing “**buy in**” of other actors in order to **upscale!**



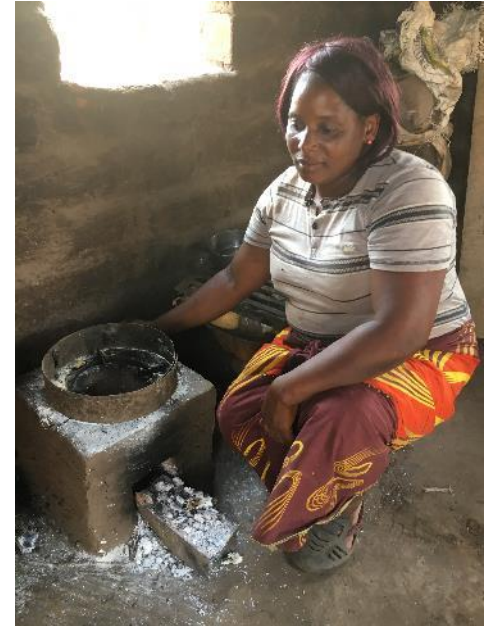
PoA portfolio of Foundation

- Modular plastic biogas plants, Kenya/Tanzania
- Institutional water filters Uganda/Rwanda
- Efficient biomass cookstoves Senegal
- Efficient biomass cookstoves Zambia



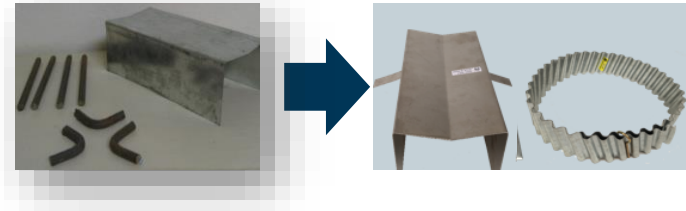
Key outcomes of the PoA portfolio

- All PoAs are **strongly “anchored”** on the ground but have strongly differing outcomes
- All PoAs were **registered** without problem
- Outcomes range from **zero CERs** to **early delivery of > 200,000 CERs**
- Key reasons for performance differential: **appropriateness of technology** for the users



Success factors

- Continuous improvement of technology in order to **increase usage rates, reduce equipment failure and reduce unit costs**
 - **Cookstoves** Zambia: metal part design improved three times to avoid loss of parts, ensure full utilization and ensure full efficiency is reached
 - **Water filters** Uganda: shift from UV treatment to chlorine filters, casing of “vulnerable” parts, direct ordering of equipment instead of going through intermediary



Reasons for underperformance

- Inability to **control external suppliers**
 - Cookstoves Senegal: **Renewable biomass supply chain** did not materialize
- **Sudden shifts in technology** without test of appropriateness of new technology
 - Cookstoves Senegal: Shift from Jambar to EcoZoom stove
- Dependency on **external CDM consultants**
 - Cookstoves Senegal: Shift in methodology
- **Non-viable financial model**
 - Biogas Kenya: farmers **do not pay**



Building on successes

- **Foundation's CER purchase was building block for PoA expansion**
 - Water filters Uganda: PoA expansion to **Nigeria and Kenya**, expansion beyond schools
 - Cookstoves Zambia: PoA expansion to **entire area of Eastern Zambia**
 - Total CER sales volume of both PoAs reach **several million**
- **Ensure full integration into national Art. 6 / NDC strategies**
 - **Zambia, Uganda**



Possible future activities of the Foundation

- **Blending of various funding sources** for mobilization of PoA expansion
- **Testing of methodologies** for credible calculation of mitigation achieved by **sectoral policy instruments**
- Testing different approaches for **crediting periods** and **subsequent transition** of mitigation into NDCs
- Cooperate with **other “Art. 6 pilot” institutions**



Lessons for the upscaling under Art. 6

- Ensure **full national ownership**
- Methodologies for upscaled approach need to enable **changes in technology** in a simple way
- Engaging **public climate finance sources** for preparation of roll-out: **attribution of mitigation outcomes** and their tracking in a simple way
- Enable **multi-country upscaling** without unnecessary bureaucracy

Recommendations for the Paris Rulebook

- Ensure that programmatic approaches can be undertaken under **both Art. 6.2 and 6.4**
- Ensure **that successful CDM PoAs with strong sustainable development co-benefits are fully transitioned into Art. 6**
- Incentivize **blending** of financing sources by accounting rules that allow **easy “allocation”** of mitigation outcomes
- Support **multi-country regulatory authorities**



A red telescope mounted on a wooden post, overlooking the ocean under a blue sky. The telescope is the central focus of the image, pointing towards the left. The background is a clear blue sky with some light clouds, and the ocean is visible in the lower part of the frame.

Thank you!

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