Overview of the Carbon Initiative for Development

Results-based finance and innovative use of flexible mechanisms
PMR, PA 8, Mexico City 5th March 2014
Why Ci-Dev?

LDCs have not benefited from the CDM

Reasons include lack of capacity and awareness, high risk environment, and CDM rules not adapted to LDC context

Current depressed carbon market risks reversing recent gains
Ci-Dev’s Objectives

- Assist LDCs to use carbon finance to promote energy access and low carbon development
- Support CDM projects with high development benefits through technical assistance and CER purchases
- Support the design and dissemination of new methodologies, standardized baselines and proposals for simplification of the CDM project cycle
## Two mutually reinforcing pillars

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<tr>
<th>Technical Assistance</th>
<th>Support development of simplified methodologies, standardized baselines and other regulatory changes to streamline CDM process</th>
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<tr>
<td></td>
<td>Support design, validation, registration and verifications for projects / programs</td>
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<td>Support institutional strengthening and capacity building to coordinate emission reduction activities</td>
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<td>Limited resources for seed capital on a need basis (case specific) as a grant to project owners</td>
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<tr>
<th>Results-Based Payments</th>
<th>Pay for CERs issued. CERs may be retired (donor participant) or used for compliance with national or international goals (buyer participants)</th>
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<td>Payment on an annual basis, facility planned to operate until 2025</td>
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<td>Pricing not linked to market, but to the specifics of the projects/programs (to make technologies affordable to the poor)</td>
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Ci-Dev’s Priorities

Private sector led / executed energy access programs

Household level / community scale programs

- Priority given to renewable energy access programs (Biogas, Solar Home Systems, Micro/Mini Hydro, etc.)
- Other technology types (grid extension, cook stoves, water filters, etc.)

Priority countries

- Poorest countries with a strong focus on Africa and LDCs

Projects to start deliver CERs as early as 2015

- Work with countries (DNAs, Rural Electrification Agencies) to identify projects
- Pipeline of projects also from World Bank’s lending operations and from open call for proposal.
Ci Dev Participants and Budget

• Switzerland, Sweden and UK participate in the fund
• The facility has a budget of circa 125 million US$
  – 30 million US$ in Readiness Fund and
  – 95 million US$ in Carbon Fund
• Decisions by consensus – project selection from agreed Project Selection Criteria
Programmes under consideration

- Renewable Energy and Clean Cooking PoAs in East Africa
- Off-grid Solar Home systems and On-grid Extension programmes in East Africa
- Water purification programmes in South Asia and East Africa
- Analysis of project/programme proposals from call for proposal
Thank you

Bengt Boström
Swedish Energy Agency
bengt.bostrom@swedishenergyagency.se