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A “prompt start” for the CDM?

Lessons from early experiences from South Africa

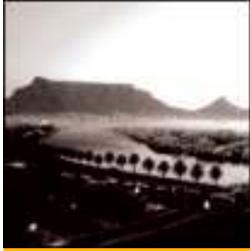
Cape Town,
2 March 2006

Shirene Rosenberg
Environmental Planning Department



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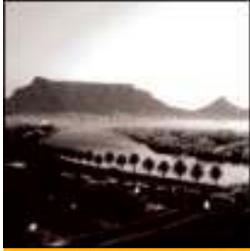
The CDM and SD...

CDM to “...*assist Parties not included in Annex I in achieving SD and in contributing to the ultimate objective of the Convention.*”
(Article 12, KP)



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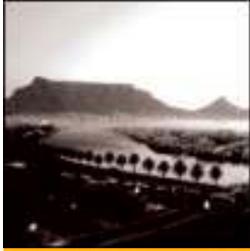
Programmatic CDM

Decision-/CMP.1(20) "...project activities under a programme of activities can be registered as a single clean development mechanism project activity provided that approved baseline and monitoring methodologies are used that, inter alia, define the appropriate boundary, avoid double counting and account for leakage, ensuring that the emission reductions are real, measurable and verifiable, and additional to any that would occur in the absence of the project activity;



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Programmatic CDM

Integration of **development priorities** with concerns around **GHG mitigation** and **climate change**.

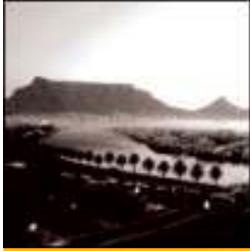
Development needs for South Africa: Access to reliable, affordable and clean energy services and infrastructure specifically through energy efficiency and renewable energy measures in the residential, commercial, industrial and governmental sectors (water and waste management, procurement practices, buildings and vehicle fleets) .

Project Developers: Both private and public sector



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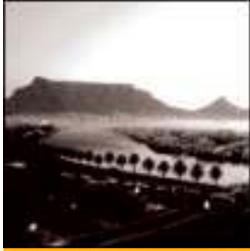
Programme in Practice...

- Current thinking focused on the role of the private sector in taking forward the CDM.
- The Kuyasa thermal energy upgrade project in South Africa highlights the potential of the CDM as a tool for public authorities to finance development interventions aimed at decreasing overall GHG emissions, whilst contributing to sustainable development and service delivery objectives.



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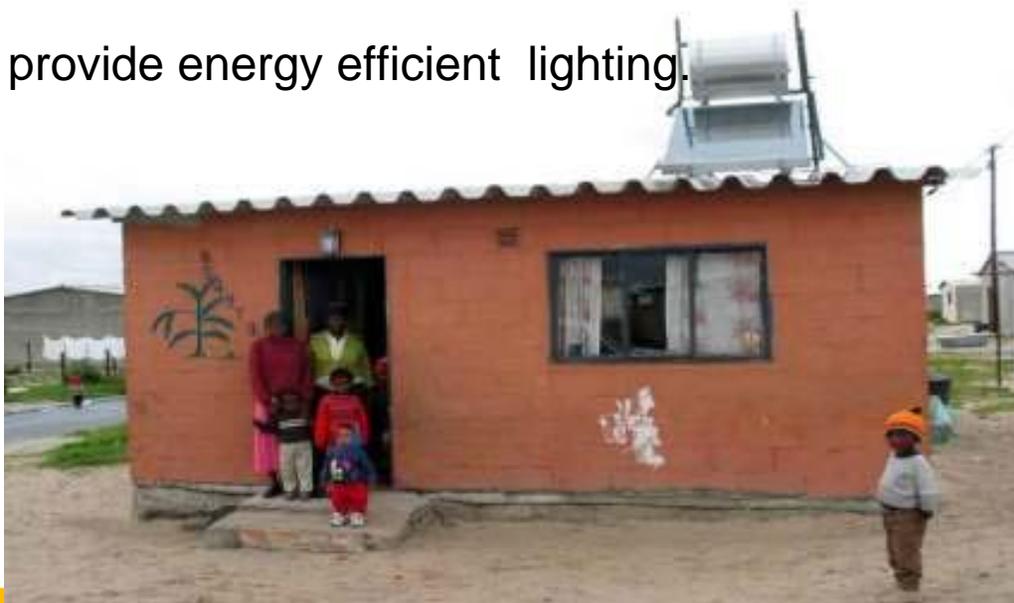
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Retrofit approximately 2300 existing RDP houses in Kuyasa in order to:

- provide hot water on demand,
- improve the thermal efficiency of the household units and to
- provide energy efficient lighting.

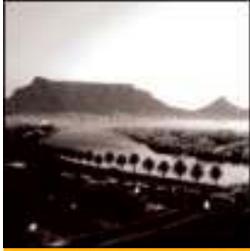


- Registered CDM project
- Gold Standard Accreditation



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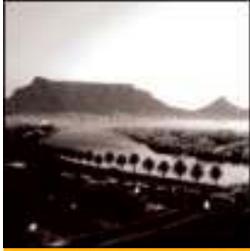
Benefits

- Reduction of greenhouse gas emissions
- Saving in household energy cost~R626(\$96)/household/year.
- Health cost benefits
- Employment creation
- Potential for replication across all low-income housing in South Africa.
- Drawing marginalized people into a global environmental issue.
- Building human capacity around energy efficiency and renewable energy
- Development of an understanding of the link between the local environment and the global context.



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Programme in Practice...

- It is anticipated that the project will generate approximately ~ 130 000t CO₂e over a period of 21 years. This is a nominal amount and at the current price of carbon contributes to about 20% of the capital outlay.
- Interest in the sale of carbon has predominantly been from the offset market, due to its high SD benefits.
- However, for the City of Cape Town, due to the lack of dedicated resources, constrained legal status, its bureaucratic make-up and the speculative nature of the carbon market, direct participation in the market difficult.
- This highlights the need for:
 - an agency to assist local government with both the design and marketing of CDM projects.
 - national governments or even the DNA in encouraging the development of programmatic CDM project activities in crucial sectors in order to enable the increased uptake of CDM opportunities.



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Thank you
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