

**Report on Third National Workshop: Capacity building for the
Clean Development Mechanism (CDM)
VENUE: President Hotel, Gaborone**

DAY1: 23rd September 2013

Project background and objectives

The project is part of the European Union (EU) Programme for Capacity Building and is implemented by the United Nations Environment Program – Risoe Centre (URC) based in Denmark in collaboration with Botswana Designated National Authority (DNA) for Clean Development Mechanism (CDM). The project had run over a period of three years, commenced in February 2010 and scheduled to end on 31st January 2013. However, there had been an extension of the project until the 31st December 2013.

The main purpose of the project is to assist Botswana together with other selected African Caribbean Pacific (ACP) countries to participate in the global carbon market. This would be achieved through a two tracks work plan; institutional development and CDM project development. At the end of the project, Botswana should be able to identify, design, approve, finance, implement and monitor CDM projects.

Workshop objectives

The aims of the third workshop were to evaluate progress and lessons learnt from the capacity building project implementation in Botswana and discuss CDM projects developed and expose the project portfolio to investors. The following were specific objectives:

- To assess the achievements made so by CDM participants (project developers, consultants, DNA and other players)
- Look at future role of CDM in a global market
- Explore new opportunities to attract climate finance for Nationally Appropriate Mitigation Actions (NAMAs), development of New Market Mechanisms and a Framework for Various Approaches for up-scaled global carbon market.

Day 1 was mainly for all CDM partners to present achievements and challenges of project implementation over the past three years and to inform stakeholders on how to attract climate finance.

Workshop Deliverables

Welcome Remarks

The chairperson Ms. Penny Lesolle welcomed everyone to the workshop. A round of introduction took place and Government departments, financial institutions, CDM consultants, project developers from private sector and non-governmental organizations were among the 34 participants who took part at the workshop. See Annex 1 for participation list.



Fig 1. Some of the participants at the 3rd CDM Workshop

Key Note Speech

The Acting Deputy Director Mr. Russell Mothupi gave a keynote speech at workshop on behalf of the Director Department of Meteorological Services. He said he appreciated the support Botswana has benefited since the DNA capacity building project started. Those who have been involved with the project could attest that CDM understanding has improved over the three stakeholder workshops conducted. Mr. Mothupi expressed that the outputs of the workshop would go a long way in enhancing strategies for mitigating climate change in Botswana for and for socio economic benefits.

Presentations

All the scheduled presentations took place and would be uploaded on the ACP website under Botswana link <http://botswana.acp-cd4cdm.org/>. The following topics were covered during the workshop:

1. An overview of project progress, the workshop agenda and ongoing climate negotiations for a new climate agreement by 2015 by Karen Olsen from UNEP Risø Centre

The workshop was briefed on activities of the work plan and expected results such as operational DNA, technical capacity of CDM participants to implement CDM, improved CDM regulatory and environment and promotion of CDM project portfolio.

The place of CDM in the climate change negotiations was also highlighted. It was mentioned that a second commitment period under the Kyoto Protocol was agreed upon at the Durban conference of parties. Despite some developed countries' decision not take commitments this round, CDM could be implemented until 2020 when a new agreement under negotiation takes effect.

2. Institutional capacity developed for CDM – lessons learned by the DNA: CDM project development in Botswana – achievements and challenges by Chandapiwa Sebeela from DNA

The project deliverables were outlined and among them were operational guidelines for the DNA, CDM website, participation at carbon expos and development of project ideas as well as two project documents. The participants were informed of the achievements which were assessing submitted project documents and issuing six letters of approvals to both the local and multi-national CDM programme of activities.



Fig 2. DNA officer giving a presentation

Lessons learnt during the process included challenges of high CDM transaction costs, declining price of Certified Emission Reductions (CERs) overtime, no registered CDM project in Botswana to attract investors, low level of understanding of CDM by potential participators.

3. CDM project development in Botswana - achievements and challenges by Peter Zhou from EECG

The consultant main activities, achievements and challenges on CDM project development were presented. The main objectives of the consultants was to develop six project ideas and select best two to produce two project documents. A further requirement was to raise awareness among financial institutions to explore CDM project financing options in Botswana. The achievements included two Programme of Activity Design Documents (PoA-DDs) and their CDM Project Activities (CPAs) which were still awaiting validation.

The challenges encountered included limited resources which could not cover validation and further assistance need by proponents to apply for the loan scheme. The project developers continually needed technical support for validation of their projects.

4. Towards a National Climate Change Policy and Action Plan for Botswana: up-scaling mitigation actions based on CDM experience by Balisi Gopolang from DMS

The Botswana climate change policy framework was explained to have several objectives. These included developing and implementing appropriate adaptation strategies, actions and secondly to develop action and strategies for mitigation in Botswana, to mainstream climate change into other policies and to ready Botswana for the post 2015 climate regime. The process was still at inception stage as the policy and action plan inception report needed be presented to a reference group for acceptance.

5. Introductory Presentation on NAMAs (Preparation - Implementation) by Todd Ngara from UNEP Risø Centre

A presentation on Nationally Appropriate Mitigation Actions (NAMAs) was made. It was stated that according to the Cancun agreements developing countries had agreed to take NAMAs in the context of sustainable development supported by matching finance, technology and capacity building. The NAMAs to be carried out should undergo Measurement, Reporting and Verification (MRV). The agreement also included the set-up of a prototype NAMA registry as a web-based platform for countries to submit NAMAs seeking support or recognition. The NAMA process cycle was also shown.

However, the main challenge was that although several countries had developed NAMAs there had not been any concrete financial movement or buyers for NAMAs seeking support. Furthermore, a regulatory framework for NAMAs was yet developed. NAMAs are envisioned to mobilize partnership of both public and private sector. A demonstration on navigating through the UNFCCC NAMA registry was also displayed.

6. Showcase of CDM Programme of Activities: Energy Efficient Ceratech for buildings in Botswana by Percy Lekoba from Agna Ventures

The Ceratech roof coating technology was explained. To participate in the carbon market the PoA-DD and CPA have been developed as one of the achievements under the capacity building project. The letter of approval had also been granted by the DNA. The challenges stalling the project included technical limitation, financial needs for undergoing validation and contrasting policies across sectors involved towards implementing the project.



Fig 3. Demonstration of a CDM project by the project developer

7. Showcase of CDM Programme of Activities: Biogas Projects for buildings in Botswana by Carl de Bryn from Bostrich International

The project had changed sites from Mmamashia to the Multispecies Abattoir. The concept of the project was explained and installation of equipment, raw material and by-products demonstrated. A PoA-DD and CPA have been developed for this project. The challenge to the project had been relocation to a new site, obtaining an Environmental Impact Assessment (EIA) from Department of Environmental Affairs (DEA) as it took about nine months and costs of procuring and installing the technology.

8. How to attract climate finance under an emerging framework for LCDS and NAMAs? - in the context of a weak carbon market by Todd Ngara from UNEP Risø Centre

A presentation on enabling environment to attract climate finance included conducting Technical Needs Assessment. It was underscored that countries

including Botswana could apply for support to undertake and subsequently draft Technical Action Plans, identifying NAMAs, Low Carbon Development Strategies which could all be the basis for NAMA development. Development of NAMAs, their submission to the NAMA registry to seek support or showcasing a list of NAMAs already developed in the country was one way of mobilizing climate resources. Institutional arrangements for NAMA approver and NAMA implementers were found to be enablers.

9. Outlook for the future role of CDM towards a global carbon market with New Market Mechanisms (NMM) and a Framework for Various Approaches (FVA) by Karen Olsen from UNEP Risø Centre

The global status of CDM was illustrated and China, India, South Korea and Brazil were the top four countries leading in issued Certified Emission Reductions for CDM projects. Africa had recently made improvements in CDM participation through Programme of Activities (PoAs). It was stated that URC has developed the voluntary sustainable development tool for the UNFCCC secretariat listing criteria and indicators within the environmental, social and economic dimensions. To make CDM fit for the future there was need to revamp it by securing market stability through increased mitigation ambitions, adapting to new condition, enact operational reforms and strengthening governance through clearer roles, accountability and regulatory certainty as well as streamlining. Global carbon markets are forced to change course as local and national markets emerge and with the flooded market over supply of CERs and diminished prices of CERs.

The likely characteristics of New Market Mechanisms (NMMs) were that development would be done under the guidance of COP, include sectorial trading mechanisms and crediting mechanisms with an anticipated output of international compliance unit that could be traded internationally. The NMMs would operate at national level in accordance with United Nations defined standards and issuance would be through national registries like the International Transaction Log (ITL).

Besides presentations other sources of information distributed during the workshop included handbooks on CDM PDD development, Legal issues on implementing CDM projects, booklets on NAMAs and a New 2015 Agreement.

Summary of Capacity Building Project Activities Implemented To-Date

The following activities have been undertaken:

- Project introductory brochure about CDM was distributed at previous workshops.
- CDM web-site link from ACP website running with relevant information at www.botswana.acp-cd4cdm.org.
- Botswana's CDM Investor's Guide developed and undergoing printing.
- Botswana DNA operational guidelines for project including review/approval procedures and sustainable development criteria set and publicly available on the national CDM website link.
- Project development achieved;
 - Ø 6 Project Idea Notes
 - Ø 2 Project Design Documents together with their project activities ready for validation
 - Ø 1 letter of approval granted locally and 5 letters approvals issued for multi-country programmes.
- Support for participation of three project developers to Carbon Expo and other regional meetings.
- Three workshops for stakeholders and meetings with financial institutions held to raise awareness on CDM.

The activities in the work plan which have been achieved include stakeholder workshops, development of DNA guidelines and the CDM investor guide. The project development track also made progress as two project design document were developed after submission of six idea notes.

Key challenges encountered during project implementation include obtaining an EIA as a prerequisite of obtaining a letter of approval from the DNA. Where projects are not exempted, the process was said to be costly and taking almost a year. Possible solutions highlighted were for project developers to start the EIA project early and for the DNA to further collaborate with Department of Environmental Affairs to facilitate EIA process. The other major challenge underscored was financial constraints for developed CDM projects to progress for validation and registration. It was stated that continuous support for the whole project cycle was necessary for continuity of the project.

The hindrance to local financing of CDM project could be that there is general low understanding of climate change and its mitigation especially among financial institutions. Hence DMS and collaborative partners should continue to sensitize stakeholders particularly financial institutions business opportunity offered by CDM and possibly new market mechanisms.

ANNEX 1.

DAY 1: List of Workshop Participants for 23rd SEPTEMBER 2013

DAY 1

NO	NAME	ORGANISATION	PHONE NUMBER	E-MAIL
1.	Basuti Mathangwane	Min. of Agriculture	3689380/72415845	bbolo@gov.bw / gttblo3@gmail.com
2	Dorcas Masisi	DMS	3612249	dmasisi@gov.bw
3	Florial Fritzche	DMS/GIZ	3612202	ffritzsche@gov.bw
4	P. M. Lesolle	DMS	3612200	plesolle@gov.bw
5	B. J. Gopolang	DMS	3612200	bgopolang@gov.bw
6	T. M. Mogome	DCP-Agriculture	3689329	tmogome@gov.bw
7	M. Koofhethile	Tikogen	71834861	modise@gabcon.co.bw
8	D. Taukobong -olsen	Tikogen	3928309	dougolsen@BTINTERNET.com tikogen@gmail.com
9.	Bone Makgekgenene	Geotech Nical Engineer	Geotech Nical Engineer	makgekgenenebone@gmail.com
10	Keitetile Majoto	DMS	3612200	kmajoto@gov.bw
11	Edison S. Chaba	DMS	3612200/2222	echaba@gov.bw
12	Todd Ngara	UNEP RISOE	+45 41624698	todn@ridoe.dk
13	Simon Mahosi	Biosy Botswana	72474730	simonmahosi@yahoo.com
14	John Steglin	DMS	75285496	jstegling@gov.bw
15	D. George	DAR	3668252	dgeorge@gov.bw
16	Peter Zhou	EECG	71693104	pzhou@global.bw
17	Carl de Bruyn	Bostrict Pro. Int. Pty	72333155	bostrich2@gmail.com
18	Gorata Ramokothwane	EECG Consultant	72653997	ramokothwane@gmail.com
19	Douclas Machacha	DAR	71724982	dmachacha@gov.bw
20	Faith Phillime	AGC	3613891/72888708	fphillime@gov.bw
21	Obolokile Obakeng	Water Affairs	73333227	oobakeng@gov.bw
22	Ntokozi Monamati	AGC	3613899	nkmonamati@gov.bw
23	Saniso Sakuringwa	DWA	3607100	ssakuringwa@gov.bw
24	Chandapiwa Sebeela	DMS	3612200	cmacheke@gov.bw

25	Keemenao Sampisi	DMS	3612281	kesampisi@gov.bw
26	Christinah Mabreaden	DMS	3612291	cmabreaden@gov.bw
27	Russel Mothupi	DMS	3612200	rmothupi@gov.bw
28	Percy Lekoba	Agna Ventures	3901391	percyl@botsnet.bw
29	David Tsiane	Biosys B	76129962	
30	T. Simbisi	EECG	71371845	simbisits@gmail.com
31	O. Mmolotsi	DMS	3612200	ommolotsi@gov.bw
32	Mothusi Mongale	CEDA	3170895	mmongale@ceda.co.bw
33	Janet Selato	DMS	3612247	jselato@gov.bw
34	Karen Olsen	UNEP RISO		kaol@dtu.dh