PROMOTING ENERGY ACCESS IN AFRICA THROUGH RESULTS-BASED FINANCING
THE CARBON INITIATIVE FOR DEVELOPMENT

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World Bank Carbon Finance Unit Supporting Countries Pathway to Low-Carbon Development

The Carbon Finance Unit Global Footprint
Demonstrating the readiness / piloting nexus
World Bank’s carbon finance initiatives

Country Context | World Bank Initiative | Market Readiness Facilities* | Implementation Facilities*
---|---|---|---
Middle-income developing countries | Partnership for Market Readiness | Scaling-up Mitigation | CPF Carbon Fund
Low income countries & poorest communities | CPF Readiness Fund (CADF) | | Ci-Dev Carbon Fund
Forest countries | BioCF Readiness Fund | Land Use incl. Agriculture | BioCF Carbon Fund

Lessons

FCPF Readiness Fund
BioCF Carbon Fund^
Why the Carbon Initiative for Development?

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
The 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
- Ci-Dev became operational in 2013
Two mutually reinforcing pillars

Carbon Initiative for Development (Ci-Dev)

**Technical Assistance ($22 M +)**
- Support development of simplified methodologies, standardized baselines and other regulatory changes to streamline CDM process
- Support design, validation, registration and verifications for projects / programs
- Support institutional strengthening and capacity building to coordinate emission reduction activities
- Limited resources for seed capital on a need basis (case specific) as a grant to project owners

**Results-Based Payments ($53 M +)**
- Pay for CERs issued (CERs not sold to the market)
- Payment on an annual basis, facility planned to operate until 2025
- Pricing not linked to market, but to the specifics of the projects/programs (to make technologies affordable to the poor)
Ci-Dev’s Priorities

• Private sector led / executed energy access programs

• Household level / community scale programs
  o Biogas,
  o Solar Home Systems,
  o Micro/Mini Hydro, etc.

• Priority countries
  o Africa (80% of projects)
  o LDCs (75%)

• Projects to start deliver CERs as early as 2015
  o Work with country partners (DNAs, Rural Electrification Agencies) to identify projects with good potential
  o Call for proposals targeting projects with strong private sector engagement
Thank you

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