LAND AND CLIMATE CHANGE FINANCE IN CENTRAL AFRICA

Climate Change Mitigation and Adaptation Activities in Central Africa and Options for Improving Access to Climate Change Finance Supporting the UNCCD

Working document

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By

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Executive Summary

Africa is one of the most vulnerable continents to climate variability and will invariably suffer from a number of different environmental stresses. The Central Africa sub-region consisting of Burundi, Cameroon, Central African Republic (CAR), Chad, Congo, Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Rwanda, and Sao Tome & Principe is particularly vulnerable because of its low economic development and limited capacity to adapt and protect itself from these impacts. At the international level the United Nations United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol were established to help the global community to simultaneously mitigate the risks and adapt to the changes caused by climate change.

Under the Kyoto Protocol the key mechanism to support the mitigation of climate change in the Central Africa sub-region is the Clean Development Mechanism (CDM), a compliance market mechanism that allows for the sale of credits to developed countries (governments and private sector) generated by mitigation projects in developing countries. Separately to the UNFCCC created carbon markets, but also significant are the voluntary carbon markets that generate offset credits from mitigation projects for buyers without compliance requirements. In relation to adaptation, the UNFCCC process has led to the establishment of several funds to support adaptation measures and projects in regions most vulnerable to climate change. Most prominently, these are the Adaptation Fund under the Kyoto Protocol, the Least Developed Countries Fund (LDCF), Strategic Priority for Adaptation (SPA) Fund and Special Climate Change Fund (SCCF) which are all managed by the Global Environment Facility (GEF) as part of its mandate to manage the financial mechanisms of the UNFCCC.

The United Nations Convention to Combat Desertification (UNCCD) was established at the same time as the UNFCCC and aims to help fight land-degradation and desertification. Many of the UNCCD's goals with regards to promoting sustainable land management (SLM), forestry, and agriculture in arid and semi-arid regions overlap with the aims of the UNFCCC, both in terms of mitigation and adaptation to climate change. It is therefore possible to capitalize on these synergies and use climate change funding to support projects that have manifold benefits for both the UNFCCC and UNCCD.

The aim of this study is to assess the state of play of climate change related financing and funding in the Central Africa sub-region, with a focus on UNCCD relevant activities and areas. The mapping exercise identifies the extent to which climate change related financing and funding has penetrated the sub-region, in which specific countries and sectors, where obvious gaps exist and where support is required. This includes a review of the institutional framework to assess the support structures in place for project development, the identification of projects successfully receiving either mitigation or adaptation funding, as well as support initiatives to help improve the region's access to carbon markets. It is anticipated that these results will be used to help countries in the Central Africa sub-region to formulate a strategy to improve their access to climate change related funding in UNCCD relevant areas, thus assisting this Convention to meet its goals.

To date, Africa more broadly, and the Central Africa sub-region in particular, has played a limited role within both the CDM and voluntary markets. Africa represents only 2% of both the total number of

projects under the CDM and of total over-the-counter transaction volumes in the voluntary market in 2007. This despite the region hosting a number of opportunities with significant greenhouse gas mitigation potential, such as activities in the agriculture, forestry and other land-use (AFOLU), rural energy and energy efficiency at the household level sectors. However, several barriers have limited Africa's access to carbon markets to date, including:

- the lack of supportive government frameworks in the sub-region;
- inadequate infrastructure and poor governance;
- limited experience and capacity with carbon markets;
- limited scope for projects in the AFOLU sector under the CDM;
- lack of industrial development and low grid emission factors in Africa, and
- overall high transaction costs for project development.

The institutional framework in the sub-region to support access to carbon finance was found to be of varied quality, although relatively weak overall. Many of the key government documents, such Initial National Communications (INCs) and National Adaptation Plan of Actions (NAPAs), do not clearly identify strategies to address the issues of mitigation and adaptation to climate change. Cameroon, CAR and Burundi for example have identified relatively clear mitigation and adaptation strategies in their INCs while Sao Tome & Principe and DRC's offer very limited information with regards to possible strategies. Similarly, of the six NAPA's produced in the sub-region, Burundi, CAR, Chad and Rwanda provide relatively clear and detailed project ideas while those of Sao Tome & Principe remain weak. Encouragingly, where countries have developed clearer mitigation and adaptation strategies, obvious overlaps exist with the goals of the UNCCD. Many of the identified strategies are in sectors such as forestry, agriculture, livestock management and sustainable land management (SLM), all of which have relevance to the UNCCD. Furthermore, only four countries in the region have established a Designated National Authority (DNA), a necessary government structure for the approval and registration of CDM projects. These are Cameroon, DRC, Equatorial Guinea and Rwanda.

The sub-region has thus far been unsuccessful at accessing actual mitigation financing. No CDM projects exist in the region while only a few voluntary projects of low or questionable quality are present. Far more prevalent are initiatives to support the development of activities relating to reducing emissions from deforestation and degradation (REDD). The inclusion of this sector under a future climate agreement is actively being debated at the international level and represents a significant opportunity for the sub-region. At present, the majority of initiatives are focused on supporting the Central African Forest Commission (COMIFAC) and its process to develop a common negotiating position on REDD. Partners such as the Agence Française de Développment, the World Wildlife Fund (WWF), the Congo Basin Forest Partnership, USAID, GTZ and KfW have all provided assistance at the policy development, technical and capacity development levels. In parallel, several other funds or initiatives have focused on supporting on-the-ground pilot activities to prepare the region for REDD, such as the World Bank's Forest Carbon Facility Partnership (FCPF), the UNEP-REDD initiative, the Congo Basin Forest Fund, the Norway International Climate and Forest Initiative. These funds all offer opportunities for projects that incorporate both REDD and UNCCD relevant activities to receive financing. While a future REDD mechanism could be a major source of financing for SLM and forestry related activities, it is necessary to ensure that its design includes UNCCD relevant sectors and activities (e.g. drylands, low carbon forests, agroforestry, etc.). A REDD mechanism that only focused on high carbon content, tropical forests would offer only limited or no financing opportunities for UNCCD stakeholders.

Apart from initiatives and activities to support REDD, very little else exists in the sub-region. Most glaring is the lack of activities or initiatives in other UNCCD related sectors, such as in the AFOLU and rural energy sectors. These are sectors with great mitigation potential for the region however the current CDM framework is not conducive for these sectors. In order for these sectors to benefit from mitigation financing several important reforms to the CDM are required. This includes allowing for the full inclusion of AFOLU activities and off-grid renewable energy projects, simplifying the procedures for Programme of Activities (PoA) and lowering transaction costs for projects in Africa.

Globally, activities supporting adaptation to climate change do not benefit from nearly the same level of funding opportunities as mitigation activities. This is a major reason for the lack of activity observed internationally with respect to adaptation activities. Nonetheless, Central Africa has struggled to access the adaptation funding that does exist. Although all countries in the region received support from the Least Developed Countries Fund (LDCF) for the preparation of their NAPAs, only DRC has received any subsequent funding for the implementation of an identified strategy in this document. Several other small programs, mainly aimed at improving the capacity of governments to incorporate adaptation strategies into national policies, have also received some adaptation funding.

Many of the larger adaptation funds have either fully committed their funds or are approaching full disbursement of their funds, thus further limiting the opportunities to finance UNCCD relevant mitigation activities. The impending operationalization of the Adaptation Fund, with an anticipated fund size of between US$ 100- 500 million, however offers more promise. It is therefore important that each country in the region adequately identify their adaptation priorities and build internal capacity to be able to identify projects or programs for funding and formulate funding requests. The inclusion of UNCCD relevant activities within these strategies is essential to ensure that the UNCCD benefit from this emerging source of funding.

In order to improve the region’s access to climate change financing a series of recommendations have been elaborated that could form the basis of a strategy for Central Africa to improve its access to climate change related finance, in particular for activities in UNCCD relevant sectors. These recommendations identify where the best current opportunities exist to access climate change related finance and where targeted efforts should be channelled to help influence the current international, climate negotiation process. These recommendations are organized both temporally (short and medium to long term) and by relevant stakeholder group to best identify responsibilities (for detailed recommendations see section 5.2). More generally however, these recommendations relate to:

- Negotiating the design of a future REDD finance mechanism to make it UNCCD relevant in the Central Africa context
- Negotiating for the full inclusion of the AFOLU sector in future climate agreements
- Pursuing voluntary carbon market opportunities for UNCCD relevant mitigation projects
- Pursuing currently available REDD funding for pilot activities
- Contributing to the negotiations on further CDM reforms with a view to UNCCD relevant activities of approaches.

- Clarifying adaptation funding needs and preparing for the operationalization of the Adaptation Fund
- Creating or supporting the creation of a semi-autonomous "climate change agency" for the region

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1 Introduction

Climate change is a global threat that will impact the entire African continent including the Central Africa sub-region consisting of Burundi, Cameroon, Central African Republic (CAR), Chad, Congo, Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Rwanda, and Sao Tome & Principe. According to the Intergovernmental Panel on Climate Change (IPCC) Africa is one of the most vulnerable continents to climate variability and will invariably suffer from a number of different environmental stresses. In addition, the continent's low economic development means that it has a limited capacity to adapt and protect itself from these impacts (Boko et al. 2007).

At the international level, the United Nations Framework Convention on Climate Change (UNFCCC) and its associated Kyoto Protocol were established to help the global community to simultaneously mitigate the risks and adapt to the changes caused by climate change. Mitigation to climate change refers to a human intervention to reduce the sources or enhance the sinks of greenhouse gases (GHGs), while adaptation refers to an adjustment in natural or human systems in response to actual or expected changes in climate, whether to moderate harm or to exploit beneficial opportunities. Under the Kyoto Protocol the key mechanism to support the mitigation of climate change in the Central Africa sub-region is the Clean Development Mechanism (CDM), a compliance market mechanism that allows for the sale of credits generated by mitigation projects in developing countries. In relation to adaptation, the UNFCCC has established several funds to support adaptation measures and projects in regions most vulnerable to climate change, including the Central Africa sub-region. These include the Strategic Priority for Adaptation Fund, the Least Developed Country Fund, the Special Climate Change Fund, and more recently the UNFCCC Adaptation Fund. Separately to the UNFCCC created carbon markets, but also significant, are the voluntary carbon markets that generate offset credits from mitigation projects for buyers without compliance requirements.

Established at the same time as the UNFCCC, the United Nations Convention to Combat Desertification (UNCCD) was set up in order to help fight land-degradation and desertification. Many of the UNCCD's goals with regards to promoting sustainable land management (SLM), forestry, and agriculture in arid and semi-arid regions overlap with the aims of the UNFCCC, both in terms of mitigation and adaptation to climate change. It is therefore possible to capitalize on these synergies and use climate change funding to support projects that have manifold benefits for both the UNFCCC and UNCCD.

To this day, however, efforts on climate change mitigation in the Central Africa sub-region have been limited. The CDM and voluntary markets have proven to be a successful and powerful tool in the Asian-Pacific and Latin American markets, but investment and implementation of mitigation projects in Africa have been slow to start. The sub-region has been similarly unsuccessful at accessing adaptation funding.

The mandate of the Global Mechanism (GM) is to support country Parties of the UNCCD to mobilize financial resources to address the nexus between land and natural resource degradation, rural development and poverty reduction. The GM sees a large potential for the use of climate change mitigation and adaptation related funding to provide additional, new funding for the implementation of the UNCCD. Central Africa holds considerable potential for climate change mitigation and adaptation activities yet inventories of potential sites or program designs are either incomplete or preliminary and vary from country to country with regards to the level of development and quality of the concepts or proposals.

The aim of this study is to assess the state of play of climate change related financing and funding in the Central Africa sub-region, with a focus on UNCCD relevant areas. The mapping exercise will identify the extent to which climate change related financing and funding has penetrated the sub-region, in which specific countries and sectors, where obvious gaps exist and where support is required. It is anticipated that these results will be used to help countries in the Central Africa sub-region to formulate a strategy to improve their access to climate change related funding in UNCCD relevant areas, thus assisting this Convention to meet its goals.

This study employed desk-based methods of research to gather information. This included a review of relevant reports, websites and articles, phone interviews with experts on carbon markets in the sub-region (see Annex 3 for a list of experts interviewed) as well as EcoSecurities' own knowledge and expert opinion on the subject matter. Research was conducted with a focus on the linkages between the implementation and objectives of the UNFCCC and the UNCCD since the relationship between climate change, land degradation/desertification and drought is especially clear. Climate change threatens marginal lands by increasing the risk of degradation and desertification. Moreover, land degradation - particularly from unsustainable agricultural and land management practices and deforestation – is a major contributor to increased atmospheric GHG concentrations that are responsible for human-induced climate change. An increase in extreme weather events, such as droughts and heavy rains, resulting from global warming leads to further land degradation and this desertification process affects the climate. The research and report focus on several areas of potential synergy between the UNFCCC and the UNCCD to ensure that the results of the study and its recommendations are most relevant to the UNCCD and its stakeholder community. These relate to:

- forestry (e.g. reforestation, avoided deforestation and sustainable forest management),
- sustainable land management (SLM) and agriculture;
- mitigation, including through non-forestry activities such as fuel-switching and energy efficiency at the community level, and the use of biofuels;
- adaptation through enhancing ecosystem resilience and its capacity to adjust to changes; and
- education, awareness raising, information and science.

Following this introduction, Chapter 2 briefly discusses the international framework established to act on climate change and its impacts, including how these actions can be linked to the fight against land degradation and desertification. Chapter 3 explores Africa's success at accessing global carbon markets and adaptation funds, its mitigation and adaptation potential, the barriers that have so far impeded it from benefiting from climate change finance and a description of some of the sub-regional institutions established to improve the continent's access to climate change finance. Chapter 4 presents the results of the principal research conducted for this study. This includes an assessment of each country's institutional frameworks to support climate change financed projects, the prevalence of actual climate change financed mitigation and adaptation projects, and a review of the initiatives operating at the national and sub-regional level to improve the region's access to climate change related financing and their pertinence to the UNCCD. The chapter ends with a summary and discussion of these results. Chapter 5 makes some conclusions and provides recommendations on what particular stakeholder groups can do to improve the sub-region's access to climate change financing.

2 The International Climate Change Framework and its Links to the Convention to Combat Desertification

The UNFCCC and the Kyoto Protocol are at the heart of international efforts to act on climate change. They do not only incorporate a framework and targets for the mitigation of climate change but also for adaptation. This section explains this international framework in more detail and elaborates specifically on the Clean Development Mechanism and the various funds available for adaptation measures. In addition, the links and synergies of this regulatory framework with the UNCCD will be identified.

2.1 Mitigation to climate change under the UN framework

The UNFCCC, signed in 1992, represents the international agreement to stabilize GHG concentrations in the atmosphere at 1990 levels and recognizes the adaptation to climate change as a key priority. To further the goals of the UNFCCC, the Kyoto Protocol was adopted in 1997, and ratified in 2005, binding industrialized countries (Annex 1 countries) that have ratified it and that are listed in its Annex B to emission limitations and reduction commitments against 1990 levels. The first commitment period for Annex B countries to show compliance with their emission reduction and limitation targets under the Kyoto Protocol covers the years 2008 to 2012.

To accord Annex B countries a degree of flexibility and cost effectiveness in achieving their reduction targets three Kyoto Mechanisms were established to supplement domestic emission reduction activities. The three mechanisms are:

- **International Emission Trading**, which allows for the trading of surplus emission allowances between Annex 1 governments, e.g., Sweden with Germany;
- **Joint Implementation (JI)**, which allows crediting of emission reduction projects implemented in other Annex 1 countries, e.g., Germany conducting a GHG reduction project in Poland due to lower cost; and the
- **Clean Development Mechanism (CDM)**, which allows crediting of emission reduction projects implemented in Non-Annex 1 countries, e.g., Italy conducting a GHG reduction project in Cameroon or India.

The Central Africa countries are exclusively Non-Annex I countries (i.e. developing countries) and therefore only able to benefit from the CDM, which will be the focus of the remainder of this analysis.

2.1.1 The Clean Development Mechanism

The Clean Development Mechanism (CDM) promotes investment in GHG abatement technologies in, among others, forestry and agriculture, energy generation, energy usage, waste management, and transportation sectors by providing an incentive for emission reductions in the form of tradable credits. Using CDM an Annex I party may purchase emission reductions, which arise from project investments in Non-Annex I countries. The carbon credits that accrue from a CDM project are termed Certified Emissions Reductions (CERs) and represent one ton of CO2 equivalent (tCO2e).

In the three years since the Kyoto Protocol was ratified, the CDM has developed into a driving force in the global carbon markets. There has been significant investment into the CDM, with close to 4,474 projects under development (as of February 2009), potentially capable of reducing emissions in developing countries by up to 2.9 billion tCO_2e by 2012 (UNEP Risoe, 2009). As of February 2009, 1370 emission reduction projects have been registered with the CDM's EB. Of these, 465 have successfully been issued with credits, totaling 240 million CERs. The market value for the sale of issued CERs reached US$ 7.4 billion in 2007, up significantly from US$ 5.8 billion in 2006. Of the 1370 projects registered with the CDM, those in sectors with UNCCD relevance by number and percentage of the overall total are: biomass energy (238, 17%), agriculture (119, 9%), biogas (74, 5%), household energy efficiency (3, 0.2%) and reforestation (1, 0.1%).

2.1.2 Voluntary carbon markets

In parallel to the Kyoto markets – fundamentally compliance markets shaped by governmental regulation – voluntary carbon markets have emerged. Individuals, but also corporations and other organizations without formal emission reduction obligations, have the option to purchase carbon credits voluntarily through these markets and use them to "offset" their own emissions. In particular, concerns about individual air travel and a growing sense of corporate social responsibility (CSR) have fuelled the voluntary markets with an increasing number of organizations trying to reduce their carbon footprint or even to become "carbon neutral". A growing number of project developers are implementing projects, many of them in developing countries, to create offset credits for the voluntary markets. Long perceived as a mere niche or shadow market of the larger regulated carbon markets, the voluntary market is slowly establishing itself as a significant market for the purchase and sale of offset credits. The total value of all transactions in the voluntary market totaled US$ 330.8 million in 2007, up significantly from US$ 96.7 million in 2006 (Hamilton et al. 2008). Several project types with UNCCD relevance captured significant shares of the total volumes transacted in 2007, including: afforestation/reforestation plantations (2%), afforestation/reforestation mixed native species (8%), avoided deforestation (8%), agricultural soil (3%) and livestock management (4%).

2.2 Adaptation to climate change under the UN framework

Under the UNFCCC, industrialized countries recognize the responsibility to assist developing countries' adaptation efforts, primarily through the provision of financing for adaptation measures. The main funds established to date to support adaptation measures in developing countries are described below. These funds represent the most concerted efforts to date by the international community to finance activities and projects aimed at improving the adaptive capacities of communities in developing countries.

Strategic Priority for Adaptation Fund – This US $50 million fund was the first major investment by the Global Environment Facility (GEF) directly in the adaptation arena. It was the first fund to finance concrete adaptation projects, primarily in the areas of biological diversity, climate change, international waters and land degradation.

Least Developed Country Fund – This US $180 million fund was established by the UNFCCC in 2001 and administered by the GEF to focus on supporting the implementation of LDC NAPAs and their most urgent adaptation needs.

Special Climate Change Funds – This US $90 million fund was also established by the UNFCC in 2001 and administered by the GEF to focus on projects in Non-Annex 1 countries to support:

- adaptation,
- transfer of technologies,
- energy, transport, industry, agriculture, forestry, and waste management, and
- activities to assist developing countries whose economies are highly dependent on income generated from the production, processing, and export or on consumption of fossil fuels and associated energy-intensive products in diversifying their economies.

Adaptation Fund – This fund was established by the UNFCCC and is managed by an independent Adaptation Fund Board. The Adaptation Fund is replenished by a 2% levy on issued credits from large-scale CDM projects and from other sources. As of February 26th the fund held over 5 million CERs in its account although the fund is still not operational and has not funded any projects to date. The fund is expected to have access to funding in the region of US $100 – 500 million by 2012 for adaptation projects and programs in developing countries that are particularly vulnerable to the adverse effects of climate change.

2.3 Linking action on climate change with the fight against desertification

The interdependence of climate change, land degradation and biological diversity and their importance to sustainable development has been recognized by the United Nations. As a response, the three Rio UN Conventions – the UNFCCC, the UNCCD and the Convention for Biological Diversity (CBD) - were established. Strong synergies exist between efforts to tackle these three environmental problems and at the same time are also all relevant for the prevention and control of land degradation. This complimentary nature of the Conventions underpins the need to take a holistic and coordinated approach.

All three Conventions have officially recognized that each other's objectives are interlinked and that realizing synergies is important to achieve the Conventions' objectives, and to use resources efficiently. Under the umbrella of each of the three Conventions, many implementing programs and regulations recognize the relationship between climate change, land degradation and biodiversity. Preserving biological diversity is an essential part of sustainable land use management practices which aim to combat land degradation and desertification. Adaptation to climate change is a further field of activities mandated by the UNFCCC. Many adaptation measures in the rural, agricultural, and forestry sector provide synergies for the UNCCD and CBD. Integrated management plans for water resources and agriculture, and for the protection and rehabilitation of areas, particularly in Africa, affected by drought and desertification is specifically called for by the UNFCCC. Likewise, response measures are required for countries with arid and semi-arid areas, forested areas and areas liable to forest degradation.

The Strategic Programme on Climate Change of the Global Mechanism focuses on the mobilization of climate change related resources or finance to support the implementation of the UNCCD. In particular linkages between the implementation and objectives of UNFCCC and UNCCD because the reciprocal relation between climate change, land degradation and desertification is especially apparent. Climatic changes threaten marginal lands by increasing the risk of degradation processes and desertification. In addition, land degradation, particularly agricultural and unsustainable land management practices and deforestation, are major contributors to the increase in atmospheric GHG concentrations which are responsible for human-induced climate change. On the other hand, an increase in weather extremes such as droughts and heavy rains as a result of global warming will lead to further land degradation, while the desertification process also affects the climate. Efforts to improve the management of lands under threat of degradation and desertification therefore have the dual benefit of achieving the goals of both the UNFCCC and UNCCD.

Furthermore, the coordination of both mitigation and adaptation strategies to address aspects of climate change, land degradation and desertification at once can contribute to strengthening the adaptation capacities of vulnerable lower income groups, fighting climate change through carbon sequestration and emissions reduction, and may also facilitate the development of innovative poverty reduction strategies.

3 Africa and the Carbon Markets

Global carbon markets have grown drastically in the past four years, yet not all countries and sectors have benefited equally from this new market. This section explores Africa's current position as a player in the carbon markets, which sectors in Africa hold the most potential to host mitigation and adaptation projects, what some of the current market barriers are and what is being done at the regional and international level to address this imbalance.

3.1 Africa's participation within the carbon markets

The CDM is the largest project-based market currently operating for GHG mitigation projects. However, participation by all developing countries and sectors has not been evenly distributed on the supply side. Figure 1 below demonstrates the distribution of registered CDM projects by host party.

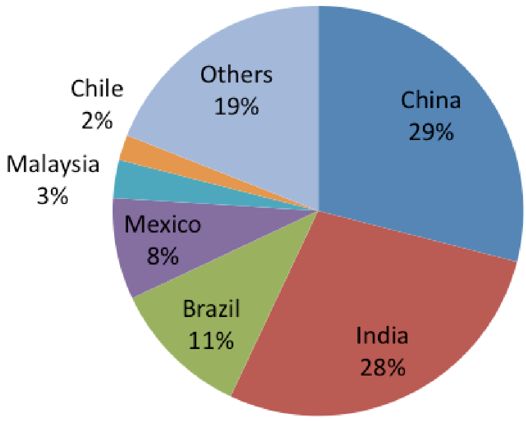

Figure 1. Registered CDM project activities by host party as of 6.2.2009 (adapted from http://cdm.unfccc.int)

As Figure 1 shows, over 75% of CDM projects are concentrated in just four countries, namely China, India, Brazil and Mexico. On the 1st February 2009, the CDM Executive Board has registered only 28 African CDM projects, representing 2% of all projects. The majority of these projects are located in South Africa (14 registered projects), Morocco (4), Egypt (4) and Tunisia (2). Nigeria, Tanzania, Kenya and Uganda have also registered one project each. As of yet, there are no registered projects in the Central African sub-region. Africa therefore pales in comparison to the Asian and South American regions, which have similar concentrations of Non-Annex 1 countries, yet have been significantly more successful in registering CDM projects. For example, China alone has registered 395 projects, while India hosts 392 projects and Brazil 150 projects (UNEP Risoe 2009).

This geographical preference for CDM projects follows similar overall patterns as that of foreign direct investment (FDI) more generally. Stable emerging economies with more predictable investment climates and better governance are preferred to those where investment risks are perceived as higher. The phenomenon of sidelining African countries, in particular Sub-Saharan countries, is by no means specific to the carbon markets but a trend followed by all private investment into the continent. The only areas in Africa currently benefiting from the carbon markets are South Africa and Northern Africa, regions that similarly receive greater inflows of private investment than anywhere else in Africa.

Looking beyond the number of registered projects, the pipeline for CDM projects in Africa (this includes projects that are currently requesting registration with the CDM's Executive Board, are under review by the Executive Board, or in the process of having their eligibility assessed by a third-party) shows a limited number of projects. At the time of writing, there were 40 projects in the pipeline for twenty African countries. Of these only three are in the Central African sub-region (UNEP Risoe 2009).

Africa's presence within the voluntary carbon markets is similarly limited. According to the *State of the Voluntary Carbon Market 2008* projects hosted in African countries accounted for only 2% of all over-the-counter transaction volumes in 2007. Figure 2 below demonstrates the distribution of over-the-counter transaction volumes in the voluntary market by project location.

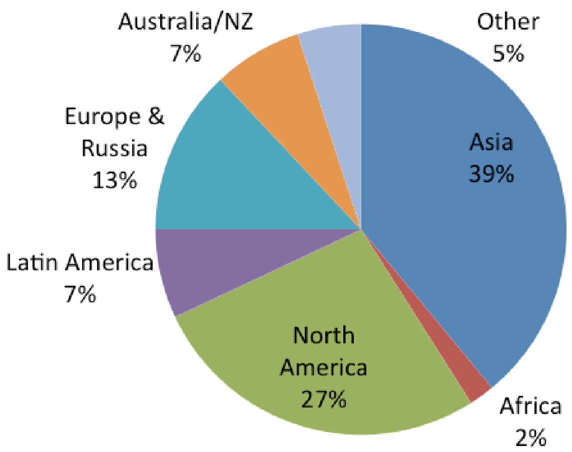

Figure 2. Distribution of over-the-counter transaction volumes in the voluntary market by project location in 2007 (adapted from Hamilton et al. 2008)

In comparison to 2006, both Africa's share and total number of credit volumes have declined, the only region in the world where this has happened. This has occurred despite the emotionally-appealing aspects and societal co-benefits of African projects that are highly sought after in the voluntary market. This supports the view that both investors and project developers are seeking regions more attractive for offset projects, following the same trend observed in the CDM.

3.2 Climate change mitigation and adaptation opportunities in Africa

Despite Africa's poor showing in the CDM and voluntary markets the continent holds significant opportunities to host GHG mitigation projects. As for adaptation, there are significant overlaps between carbon market project opportunities and measures that help to combat land-degradation and desertification. While some of these opportunities are more obvious, for example in the agriculture, forestry or other land-use (AFOLU) sectors (e.g. implementing sustainable forest management systems or the introduction of improved seed varieties that reduce the need to clear new land) others are less obvious but may nevertheless present real opportunities for both climate change mitigation and adaptation.

Opportunities for dual mitigation and adaptation projects in Africa with UNCCD relevance are discussed below and mainly relate to the following sectors: AFOLU, REDD, renewable energy and energy efficiency at the household level.

3.2.1 AFOLU

For Africa in general, and the Central Africa sub-region in particular, the key area with mitigation and adaptation potential includes the entire array of activities that fall under the wider AFOLU category. These include activities in sectors such as forestry (including, reforestation, improved forest management, avoided deforestation and forest degradation), croplands, grazing lands and agriculture. What's more, activities in this category offer a high potential for synergies between combating climate change and land degradation and desertification.

The first key sector under AFOLU that provides mitigation and adaptation opportunities is made up of **forestry** related activities, including afforestation and reforestation for which the African continent bears significant potential and benefits for sustainable land-management. (Avoided deforestation activities also fall under the AFOLU category but are treated separately in the following sub-section). Afforestation and reforestation (A/R) mitigates climate change through the absorption of CO2 into biomass, protects and rehabilitates lands at risk of degradation while also supporting adaptation to climate change through the strengthening of ecosystem functions. To date, the A/R sector has performed well in voluntary markets as the "charismatic" nature of these projects and ancillary benefits they provide are attractive to buyers in this market. In 2007 A/R projects represented 10% of all credits sold in this market. Under the CDM, A/R is the only eligible AFOLU activity yet has struggled to make in-roads with only one A/R project registered. This is due to a variety of reasons, including the temporary credits issued to A/R projects that make them unattractive to buyers; complicated baseline and monitoring methodologies and tools for GHG accounting from A/R projects; and the relatively large upfront financing costs for A/R activities which can be recovered only after many years due to the long lead time before credit generation. Nonetheless the IPCC has estimated that Africa's mitigation potential from A/R activities could reach 665 million tCO2 by 2030 (IPCC 2007). Although the IPCC does not provide numbers for the Cerntal Africa region specifically, it is expected that a large percentage of this mitigation potential will come from Africa's tropical areas which includes almost of the Central African countries.

A second key sector under AFOLU for the Central Africa sub-region relates to the **sustainable management of cropland, grazing land and grasslands**. Activities in this sector improve management practices on these lands that result not only in fewer emissions from degraded soils but actually improve their ability to store carbon. Furthermore, the sustainable management of these lands contributes to improving adaptive capacities by ensuring the ongoing, productive nature of these lands and their resilience to climatic changes. Within the voluntary markets, examples exist of agricultural soil management projects generating credits, although as a sector it represents only 3% of all projects in 2007. Under the CDM activities in this are ineligible to generate credits and thus no projects or UNFCCC approved methodologies exist to account for GHG emission reductions from this sector. The mitigation potential of this sector in Central Africa is however large. Estimates suggest it could be in the order of 49 million tons of CO2 equivalent (Bryan et al. 2008).

3.2.2 REDD

Reducing emissions from deforestation and degradation (REDD) is another forestry related activity with significant opportunities for the continent, and the Central Africa sub-region in particular. REDD focuses on preventing or diminishing the impact of processes or activities that cause deforestation or forest degradation such as forest conversion, commercial and illegal logging, slash and burn practices and community encroachment through the protection and improved management of forests. Besides the obvious climatic benefit of maintaining carbon stocks in standing trees, REDD activities help to promote the sustainable use of lands and prevention of land degradation. This ensures that forest functions remain intact thus improving forests' resilience to adapt to climatic changes and continually provide forest goods and services at the local, regional and international level such as climate regulation and the provision of biodiversity and hydrological functions.

REDD projects are currently generating credits for the voluntary market where they represent 5% of all credits sold in 2007. REDD however remains an ineligible project category under the current CDM rules. The international community however is actively debating its inclusion in a post-2012 climate regime following the submission of proposal to the UNFCCC in 2005 by Papua New Guinea and Costa Rica. REDD has been formally negotiated since the 2006 climate meeting in Nairobi, whereas the Bali conference in 2007 gave an official mandate for including it in the whole negotiation package of a post-2012 regime. There appears to be a broad consensus between virtually all countries for including REDD in some form in a future agreement.

It is estimated that the Congo Basin alone stores in the order of 25 – 30 billion tones of CO2 equivalent. However, deforestation and forest degradation are noted as serious problems in every country in the sub-region. A REDD mechanism therefore offers a significant opportunity to reverse these trends while potentially generating substantial income for countries in the sub-region, whether due to the immense area of forest cover (DRC) where deforestation occurs, or the high rate of deforestation and related emissions that could be abated (Cameroon and Burundi).

3.2.3 Renewable energy

Technologies in the renewable energy sector: hydro, wind, solar (including thermal energy for e.g. solar water heaters and cookers and photovoltaic as source for electricity) and biogas from agricultural, animal, and industrial waste streams all offer potential for mitigation and adaptation in Central Africa (World Bank 2006, UNFCCC EB 32 2007). The sub-region has massive potential for hydroelectric power generation (the largest in Africa is found in DR Congo and Cameroon – up to 3000 MW) while the semi-arid zones of Cameroon, Chad and Gabon there is potential to generate 2,273,500 GWh/yr of electricity from solar energy (Davidson 2006). No renewable energy projects in Central Africa are currently generating credits for the carbon markets although, encouragingly, in other regions of the world renewable energy projects have performed well in both the CDM and voluntary markets where they represent a market share of 36%[1] and 27%[2] respectively.

Of particular relevance for the UNCCD are renewable energy projects implemented in rural areas where the additional power generated from these activities displaces the use of biomass as fuel thus reducing the pressure on forests and a possible cause for land degradation. A targeted approach to preventing further forest and land degradation by making constructive and efficient use of biomass may be one way to help fight desertification. It should be noted however that these small-scale renewable projects often do not produce enough credits to make the project financially viable and have suffered in the carbon markets as a consequence

3.2.4 Energy efficiency at the household level

Energy efficiency at the household level, including the capture and use of landfill gas, are further mitigation opportunities (UNFCCC EB 32 2007) for the sub-region. Energy efficient power generation as well as energy efficiency devices including wood stoves, solar cooling, lighting efficiency are all activities with GHG mitigation potential. Furthermore, they are UNCCD relevant in the context of rural Central Africa where the major fuel source is biomass. Projects that improve energy efficiency at the household level will therefore assist in reducing the pressure on surrounding forest resources, hence protecting lands from further degradation. Overall an effort to conserve resource may have numerous positive knock-on effects that help to prevent the degradation of land thus also improving the adaptive capacities of the surrounding ecosystems and communities.

3.3 Barriers to Africa's participation within the carbon markets

It is apparent that despite the numerous options for mitigating GHGs in Africa, projects face a range of barriers that prevent both private and public sector actors from participating within the carbon markets. Some of the country level and CDM barriers applicable to projects in Africa are discussed below.

3.3.1 Country-level barriers to attracting carbon market investment

- **Supportive government framework** – In order for projects to successfully access carbon markets a stable and supportive governmental and political framework needs to be in place. Political instability dissuades investors and project developers from undertaking projects because of perceived heightened risks to the project and its long-term ability to perform
- **Infrastructure** – The lack of adequate transport and energy infrastructure in many African countries reduces their attractiveness. Projects incur additional costs associated with slow and sometimes dangerous travel. Additionally, the increased risk of an unreliable energy supply adds extra uncertainty to a project that dissuades investors
- **Good governance** – Without good governance concerns over corruption will prevent investors from undertaking projects. Investors who perceive the investment climate as intransparent and

[1] Comparison of expected issued CERs until 2012

[2] Percentage of non-REC renewable energy credits sold in 2007

unreliable will be unwilling to make the long-term commitments required for climate change projects

- **Irreversibility of project implementation** – Some African countries may be unwilling to undertake climate change mitigation projects over fears that they will have to undertake mandatory reduction targets in the future. Considering that most GHG abatement options are irreversible, if the most cost-effective of these options were developed for the carbon markets then only the more expensive abatement options would be available to governments in the future
- **Lack of capacity** –There is a general lack of understanding of the adaptation and mitigation potential of various sectors in Africa. Furthermore, these is little understanding of the issues discussed at the international climate change negotiations and their linkage to the national context on behalf of local and regional governments, local and international financial institutions, project developers, DNAs and other involved parties. Due to a lack of experience in the sub-region with developing adaptation and mitigation projects there is also a lack of expertise with these activities, although this is probably a secondary problem with the actual bottlenecks being the above mentioned barriers.

3.3.2 Barriers specific to the CDM framework

- **Limited scope for projects in the land-use sector** – The land-use sector is the largest contributor to GHG emissions in Africa and offers the greatest opportunity for entry in to the carbon markets, yet markets for projects in this sector are limited. Avoided deforestation and soil-carbon sequestration projects have been specifically excluded from the CDM as a project category, while afforestation and reforestation projects have suffered from complicated methodological procedures and a limited demand for forestry specific credits due to the largest active carbon market, the European Union Emission Trading Scheme (EU ETS), banning the use of forestry credits to meet compliance targets. The absence of a meaningful market for projects in this sector has meant that Africa's access to carbon markets has been restricted.
- **Lack of industrial development** – The CDM has a strong bias towards large, industrial, point-source projects with the potential to generate substantial emission reductions. These projects have proven to be the most profitable and successful of CDM projects to date. Africa's lack of industrial development means that opportunities to develop CDM projects are limited. More generally, this low level of industrial development equates to a low initial baseline of emissions meaning few actual opportunities to mitigate GHGs actually exist.
- **Low grid emission factors** – Many African countries already use renewable energy, in particular hydro-power, to generate electricity which results in a low national grid emission factor compared to other countries that use primarily fossil fuels. This means that projects that displace the use of grid electricity in Africa (e.g. energy efficiency, renewables) are credited with fewer emission reductions than in other countries with dirtier power generation, thus making the project less viable. Moreover, as per CDM rules, off-grid energy and electricity generation is not included in the calculation of a country's grid emission factor. Therefore, even if inefficient diesel generators or non-renewable forms of biomass are used to generate energy (as is often the case in Africa) these emission sources are not factored into the country's grid emission factor, further reducing the potential of project's to generate emission reductions. Similarly, due to low electrification rates in Africa, increasing power capacity does not necessarily displace the use of dirtier electricity. Instead it is often used to improve access to electricity for those who were previously off-grid or had limited access, which is not an activity that can be credited with emission reductions
- **High transaction costs** – CDM projects incur substantial upfront development transaction costs that are often prohibitive for the scale of mitigation projects possible in Africa. High initial

transaction costs require a large revenue stream from the sale of CERs, which is rarely possible from the typically small-scale projects found in Africa. Although small-scale projects benefit from reduced requirements under the CDM, in reality it has been found that small-scale projects incur similar overall transaction costs to large-scale projects, making their project viability that much more challenging. A lack of initial capital available to cover these transaction costs from project developers or local finance institutions further reduces project potential.

3.4 International framework and sub-regional institutional setting

In light of the above barriers, and recognizing that Africa's greatest mitigation potential lies in the AFOLU sector, a series of regional and sub-regional programs have been established to improve the continents access to carbon markets. The UNFCCC launched the *Nairobi Framework*, while the efforts of the Common Market for Eastern and Southern Africa (COMESA) and Commission for the Forests of Central Africa (COMIFAC in French) are most notable for their coordinated efforts at a ministerial and sub-regional level.

3.4.1 UNFCCC Nairobi Framework

The *Nairobi Framework* launched by the UNFCCC at the 2006 COP in Nairobi was established to help kick-start the development of CDM projects in Africa. Initiated by the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank Group, the African Development Bank, and the UNFCCC the aim of the Framework is to help developing countries, especially those in sub-Saharan Africa, to improve their level of participation in the CDM. To achieve this, the Framework agreed upon five main objectives:

- build and enhance capacity of DNAs to become fully operational,
- build capacity in developing CDM project activities,
- promote investment opportunities for projects,
- improve information sharing/outreach / exchange of views on activities / education and training; and
- inter-agency coordination.

Specific work elements were identified to focus the work of the implementing partners (UNDP, UNEP, World Bank) in each of these five objectives. Many of these elements fit within a number of the partner's ongoing projects and initiatives while others were developed in direct response to the Framework. Furthermore, the UNFCCC Secretariat is acting as a catalyst and facilitator for the Framework by coordinating the activities of the implementing partners, gathering information and mobilizing resources.

3.4.2 COMIFAC

Established in 2000, in recognition of the importance of the Central African forests at the local, national and global scale, the Central African Forests Commission (COMIFAC in French) was established through the Yaoundé Declaration. The aim of the Declaration is to protect the region's forests as a necessary component of the development process and commit each country to the sustainable use of the Congo Basin's ecosystems. The forest ministers from each country were given the responsibility to coordinate the monitoring of activities aimed at implementing the Declaration in the sub-region. In 2005 a *Plan de Convergence* was adopted by the Central African Heads of State that defines a common sub-regional intervention strategy for the sustainable management and conservation of forests in Central Africa, and identifies actions to be carried out on the sub-regional, transboundary and national level. This plan is based on the following ten points:

- Harmonizing forest and fiscal policies
- Resource knowledge
- Ecosystem management and reforestation
- Biodiversity conservation
- Sustainable use of forest resources
- Alternative income generation and poverty reduction
- Capacity development, participation of stakeholders, information, training
- Research - Development
- Development of financing mechanisms
- Cooperation and partnerships

Further recognising the role that the protection of tropical forests and the Congo Basin play in the fight to mitigate climate change, COMIFAC adopted the Bangui Declaration in September 2008. This Declaration commits COMIFAC member countries to develop a common negotiating position for the sub-region on REDD and strengthen their presence at the UNFCCC to successfully negotiate this position in a post-2012 agreement. In doing so, the COMIFAC member countries hope to increase their opportunities for participation within the carbon markets.

3.4.3 COMESA

COMESA is the sub-regional economic community comprised of 19 member states in East and Southern Africa, including three countries that overlap with the scope of this study: Burundi, DRC and Rwanda. COMESA, within the context of the Comprehensive Africa Agriculture Development Programme (CAADP), has established a Climate Initiative to facilitate the development of pro-poor agroforestry and other land management projects that provide address climate adaptation and mitigation through improvements to the productivity, competitiveness, and development potential of African agriculture. More importantly in the context of this study, is its aim to promote the acceptance of agricultural and land use projects into the world's carbon markets.

Of particular interest is the adoption of the Nairobi Declaration in November 2008 that called for the expansion of eligible land-use categories in a post-2012 climate treaty and the promotion by COMESA countries of the African Bio-Carbon Initiative. This is a joint initiative by COMESA, the East African Community (EAC) and the Southern African Development Community (SADC) to promote the inclusion of a wider number of eligible land-use categories under the carbon markets. This includes promoting research in the area, simplifying rules and methodologies for the accounting of emission reductions from these categories, technology transfer and improving access to sustainable forms of financing for this sector. The benefits of this program will be useful not only for East and Southern African countries but for the continent as a whole.

4 Central Africa Sub-regional Analysis

This section presents the results of research conducted to identify the extent to which climate change financing has penetrated the Central African sub-region. The established institutional framework to support climate change projects and programs was reviewed, followed by an analysis of the success of the sub-region to develop projects with the benefit of climate change related mitigation and adaptation finance. Programs and initiatives that support the potential future access of the sub-region to climate change related finance were also reviewed.

4.1 Institutional framework

The presence of the necessary institutional framework is an important element by which to assess a country's potential to access climate change financing. Having a supportive government framework where climate change priorities are fully integrated into national policies provides clear signals for project developers (public and private sector promoters, NGOs, communities) and local authorities on potential areas for mitigation and adaptation activities. One indicator is the submission of each country's Initial National Communication (INC) and National Adaptation Programme of Action (NAPA) to the UNFCCC and their respective quality. Furthermore, the UNFCCC requires that certain key requirements be met in order for host countries to participate and benefit from the carbon markets established under this Convention, namely ratification of the Kyoto Protocol and establishment of a Designated National Authority (DNA). Without this framework or at least elements of it in place, host countries cannot approve CDM projects or are limited in their access to adaptation funding, which poses an additional investment risk to potential project developers or hinders the funding of adaptation projects or programs.

4.1.1 Initial National Communications

All parties must report on the steps they are taking or envisage undertaking to meet the goals of the convention via the submission of an Initial National Communication (INC) that presents among other information the national GHG inventory, potential areas for GHG mitigating activities and priority areas for adaptation to climate change. Non-Annex 1 parties are supposed to submit their INC within three years of the entry into force of the Convention for that Party, or of the availability of financial resources. Subsequent updates are provided in second and third communications. Request for funding for these subsequent national communications is to occur between three to five years of the initial disbursement of funds for the previous national communication. Non-Annex 1 countries must "make all efforts" to submit their subsequent national communications within four years of the initial disbursement of financial resources for the preparation of the national communication. LDCs are not bound to these same requirements and can submit their initial and subsequent national communications at their own discretion. A detailed analysis of each country's INC is provided in 0.

To date, all countries in the sub-region except for Equatorial Guinea have produced an INC. These INCs were all produced in the years between 2000 and 2005 with funding support from the GEF National Communication Support Programme, except for DRC whose funding source is unknown. While the INCs aim to convey the same type of information for each country the content and quality of each varies quite significantly. Congo's INC is the shortest in the sub-region and only 1/3 the length of CAR's, the lengthiest in the sub-region at 182 pages. The difference in length of the INCs principally relates to the level of analysis provided on the vulnerability of each country to climate change.

The overall quality in the identification of measures to mitigate and adapt to climate change is similarly varied. Some countries, such as Sao Tome & Principe and DRC, do not discuss possible mitigation measures at all, while Gabon, Congo, CAR and Chad only outline a few broad measures. Burundi and Cameroon are the only countries to provide an appreciable level of analysis on possible mitigation measures, principally in the agricultural land-use, forestry, energy and waste sectors. Those with direct relevance for the UNCCD are presented below.

<u>Burundi</u>

- Energy sector
  - Decentralized solar electrification of homes
  - Large scale vulgarization of efficient cooking stoves
  - Vulgarization of highly efficient biogas digestors
- Agricultural sector
  - Decentralized solar electrification of homes
  - Large scale vulgarization of efficient cooking stoves
  - Measures to control burning of savannah grasslands and weeds
  - Measures to reduce emissions from use of soils
  - Various technological measures to reduce emissions from farming rice
- Land use and forestry sector
  - Improving methods of creating charcoal
  - Improvement in the durability of wood products

<u>Cameroon</u>

- Forestry sector
  - Increase areas for reforestation
  - Reduce forest fires
  - Reduce emissions from soils
- Waste sector
  - Biogas recovery
  - Composting
- Agricultural sector
  - Methane reduction from rice cultivation
  - Concentration and promotion of high yielding livestock production
  - Avoidance of slash and burn

The Central Africa sub-region is one of the most vulnerable in the world to climate change, while at the same time having a relatively low level of GHG emissions and therefore a low mitigation potential. It is therefore understandable why the majority of INCs show a greater overall emphasis on assessing their country's vulnerabilities to climate change and possible adaptation strategies than on mitigation. For example, DRC and CAR's INCs contain substantially more analysis on their vulnerabilities to climate change than on possible ways to mitigate GHGs. This level of detailed analysis on vulnerabilities does not however extend to all countries. Rwanda's assessment of its vulnerabilities for example remains at a generally superficial level. The quality of the proposed adaptation strategies also vary, with countries such as DRC and Gabon providing detailed and specific measures as opposed to the poorly developed strategies from Cameroon, Chad and Congo.

In most cases the INCs have already identified and proposed a number of adaptation and mitigation activities for which they appeal for funding. Some of the Communications such as those from Chad, Congo and Rwanda indicate the need for support in identifying potential opportunities and for building capacity in developing and implementing projects. Others such as Burundi, CAR and Cameroon have already formulated reasonably clear project ideas; some even include specified budgetary requirements. Interestingly, several of the projects identified fall within sectors with direct relevance for the UNCCD, including the agriculture and land-use, forestry and rural energy sectors. Those with direct relevance for the UNCCD are presented below.

<u>CAR</u>

- Reforestation of areas surrounding Bangui
- Improved charcoal production and protection of carbon sinks

<u>Cameroon</u>

- Reforestation and conservation of standing forests
- Development of sustainable agricultural and livestock management practices

<u>Burundi</u>

- Installation of photovoltaic solar panels in rural settings
- Diffusion of improved cooking stoves in urban and rural settings
- Improved charcoal production
- Reforestation of 30,000 ha per year

With no second national communications published in the sub-region to date, it is difficult to assess the progress that each country is making towards the implementation of its INC. The predominantly average or poor quality of the INCs suggests that most countries in the sub-region do not have a clear vision or strategy towards tackling the causes and impacts of climate change. Instead, it appears that climate change issues remain somewhat marginal to mainstream government priorities. Even for countries with higher quality INCs – such as Burundi and Cameroon that offer clear mitigation strategies and propose concrete project ideas - it is unclear to what extent the proposed strategies and projects are being implemented and integrated into wider government policies. Furthermore, as all but one of the INCs was produced with external funding from the GEF it is also unclear to what extent the government, or rather external consultants, were responsible for producing these reports. Externally prepared documents raise concerns as to the degree of government involvement and ownership for each of the suggested strategies and plans.

4.1.2 National Adaptation Programmes of Action

In order to be able to scope and implement adaptation projects, a comprehensive strategy and policy approach is required. Under the UNFCCC the least-developed countries (LDCs) receive support for such activities through the development of their National Adaptation Programmes of Action (NAPA). These NAPAs identify the key sectors and projects for which adaptation projects are a priority. As with the INCs, the presence and quality of these NAPAs helps to indicate the extent to which host country governments have identified and prioritized national adaptation needs.

Of the ten countries in the Central Africa sub-region, Cameroon, Congo and Gabon are not considered LDCs and therefore not required by the UNFCCC to publish a NAPA. Of the remaining seven countries, all have produced NAPAs, with the exception of Equatorial Guinea[3].The six NAPAs produced to date have all been prepared with funding support from the GEF Least Developed Country Fund and published relatively recently, between 2006 and 2009. The reports are all similar in length, an indicator that the level of analysis in each is roughly equal. A detailed analysis of each country's NAPA is provided in Annex 6.

Each country took the same broad stakeholder approach to identifying priority areas and projects, making these documents more consistent between countries than the INCs both in terms of level of analysis and layout of the document. Although the overall quality of the NAPAs varies there is less discrepancy between these reports than the INCs.

The key outcome of a NAPA is the list of specific adaptation activities or projects that each country proposes. Each proposal should include a description of the activities, goals, objectives, short term outputs, long term outputs, implementing partners and costs which can be used to facilitate and support the development of appeals for funding. Clearly formulated project ideas indicate a greater understanding of the country's adaptation needs and are more likely to be funded. The project proposals produced by Burundi, CAR, Chad and Rwanda are the most detailed and suggest activities in a variety of sectors, many of which fall within UNCCD relevant sectors. Sao Tome & Principe's project ideas are structured similarly however are less detailed and offer fewer direct links to UNCCD priorities. The outcomes of DRC's NAPA are narrower than any of the other NAPAs, with only three project ideas aimed at improving the distribution of improved seed varieties of corn, rice and manioc.

While the quality of the NAPAs produced in the sub-region suggests a reasonable understanding and prioritization of adaptation priorities in most countries, the sub-region's limited funding from any of the GEF Adaptation funds suggests that the identified projects and strategies have not been successfully pursued or incorporated into government plans. DRC is the only country to have received funding for a project identified in its NAPA through the LDC Fund (see Table 2 in Section 4.3.1).

4.1.3 Designated National Authorities and UNFCCC focal points

All of the countries in the sub-region except for Chad have ratified the Kyoto Protocol and therefore meet the first basic UNFCCC requirement for participation under the CDM. However, only Cameroon, DRC, Equatorial Guinea and Rwanda have established a DNA – the second requirement for participation under the CDM. The DNA is charged with establishing the sustainable development criteria that projects must meet and approving CDM projects within its national borders. Without a DNA it is not possible for a country to host a CDM project. The lack of a DNA in some countries in the

[3] Chad has produced a NAPA but at the time of writing this has not been officially submitted to the UNFCCC. This NAPA was however reviewed for the purposes of this study.

sub-region is a fundamental barrier to participation under the CDM. Contact details for each DNA office are provided in Annex 4

UNFCCC focal points are the first point of contact in countries that have signed the UNFCCC within the government for communications regarding the UNFCCC. A national focal point was identified for each country in the sub-region signifying that at least an official link between the UNFCCC's Secretariat and the host country government has been created. The list of current UNFCCC focal points is provided in Annex 4.

4.2 Mitigation activities

Global carbon markets have grown exponentially over the past few years, including the CDM project based mechanism to compensate emission reduction projects in developing countries. Africa and the Central Africa sub-region as whole however have failed to benefit from the CDM. Presented below is a summary of the state of actual mitigation projects in the sub-region and the numerous initiatives established to help improve the sub-region's access to GHG mitigation financing.

4.2.1 CDM / Voluntary market projects

Currently, only Cameroon, DRC, Equatorial Guinea and Rwanda have DNAs in place and therefore the only countries in the sub-region eligible to host CDM projects. Nevertheless, not a single CDM project in the sub-region has been successfully registered. A prior attempt to register a gas flaring reduction and recovery project in Equatorial Guinea was rejected in 2007 due to methodological flaws. The sub-region's pipeline is similarly thin with only two projects at validation in DRC: a reforestation project using native species in the Maringa-Lopori-Wamba sub-region and a gas flaring reduction project at the Libwa, Tshiala and GCO off-shore oil fields. It remains to be seen whether these will achieve CDM registration and thus be able to generate carbon credits.

The voluntary market has been equally unsuccessful at attracting financing and developing offset projects. Only three projects were identified in the sub-region, of which two no longer appear to be supported by their original project developer. It should also be noted that these projects are of low quality as they are not registered with any of the established voluntary market standards, such as the Voluntary Carbon Standard (VCS), VER+, Climate Community and Biodiversity Alliance (CCBA) or Gold Standard. None of the provided information suggests that these projects will seek registration under any of these standards either. The three projects identified in this study are presented below:

- Reforestation project in Bamenda, Cameroon. This project, previously supported by the carbon retailer *CarbonMe,* aimed to replace eucalyptus trees with other, beneficial species that build groundwater supplies and encourage vegetative growth. Although *CarbonMe* aims to follow CCBA standards for its forestry projects, this project is not registered with any standard. The size of the project as well as the quantity of emission reductions could not be determined
- Two *PrimaKlima* reforestation projects in Kikwit and Burhinyi regions, DRC. The two projects anticipate sequestering 2980 tCO_2 per year through the planting of native species on 674 ha.

PrimaKlima does not sell offset credits however solicits financing based on the sequestration potential of its projects. The project is not registered under any formal standard.

- Solar cooking stove project, Kinchella, DRC. This project, previously supported by the carbon retailer *Carbon Impacts,* replaces charcoal cook stoves with solar thermal stoves for the inhabitants of Kinchella. It is unclear whether this project is still operational.

4.2.2 Mitigation support programs and initiatives

In contrast to the limited number of actual mitigation projects, a comparatively large number of programs and initiatives exist to improve the Central African sub-region's access to carbon markets. Several funds, multi-lateral banks, UN agencies, NGOs and development agencies have sought to provide support through project financing, policy dialogue and development, capacity building and technical assistance, in the hope of catalyzing greater involvement in the carbon markets and contribute to the further mitigation of GHG emissions in the sub-region. However it should be noted that the presence of these initiatives is a rather recent development, which helps explain the limited number of concrete projects in the sub-region to date. Presented below in Table 1 is a summary of the initiatives and programs currently operating in the sub-region, including a short description, the amount of total funds available (if applicable) and their sectoral and country focus. For a detailed description of these initiatives and their activities in the sub-region see Annex 7.

Table 1. Summary of initiatives and programs operating in Central Africa to improve the sub-region's access to carbon markets – full details are provided in Annex 7

Initiative	Description	Total size	Sectoral focus	Country focus
African Carbon Asset Development (ACAD) Facility	Facility for upfront project financing and capacity building	2009 - 2011 USD $7 million.	All sectors eligible for the carbon markets	Africa
Agence Française de Développment	Partnership for support on policy, public dialogue and technical capacity	USD $15 million	REDD	All 10 COMIFAC member countries
COMIFAC	International sub-regional organisation in charge of the harmonization, development and monitoring of forest and environmental policies	N/A	Sustainable forest management and REDD	All 10 COMIFAC member countries
Congo Basin Forest Fund	Fund for project financing	GBP £100 million	Forest management, community livelihoods and reduction in rates of deforestation	All 10 COMIFAC member countries

Initiative	Description	Total size	Sectoral focus	Country focus
Congo Basin Forest Partnership	Partnership for information sharing and policy dialogue support for COMIFAC	N/A	Sustainable forest management and REDD	All 10 COMIFAC member countries
GEF Strategic Program for Sustainable Forest Management in the Congo Basin (CBSP)	Fund for project financing	Size of funds available for this program is unclear.	Biodiversity, natural resource management, strengthening of financing for sustainable ecosystem management	Unknown
GTZ	International organization supporting capacity building, policy development and pilot projects	N/A	Carbon markets, REDD	All countries in the sub-region
GTZ, KfW, ESA REDD Pilot Project COMIFAC: Cameroon	Pilot project	N/A	REDD	Cameroon
Norway International Climate and Forest Initiative	Program for capacity building, technical support, project financing, policy support and research	3 billion NOK / year	REDD	All countries with REDD potential
UN - REDD	Fund for capacity building	USD $35 million	REDD	DRC only country currently eligible
UNEP CASCADe	Program for capacity building and pilot project technical assistance	USD $3 million	Agriculture, siviculture, conservation and action against deforestation	Cameroon, DRC and Gabon
UNEP DTIE Carbon Finance to Promote Sustainable Energy Services in Africa (CF-SEA)	Program for capacity building and pilot project technical assistance	USD $1 million	Electricity and energy related sectors	Cameroon
USAID - Central African Regional Program for the Environment (CARPE)	Conservation funding, policy support, mapping	N/A	Forest and biodiversity protection	All countries in sub-region

Initiative	Description	Total size	Sectoral focus	Country focus
WCS	NGO focused on capacity building, awareness building, policy development and pilot projects	N/A	Forest and biodiversity protection, REDD	All countries in sub-region receive policy support. Actively developing a REDD project in Cameroon
World Bank BioCarbon Fund	Fund for project financing	Tranche One USD $53.8 million; Tranche Two USD $38.1 million. Both Tranches are closed to new fund participation	Projects that sequester or conserve carbon in forest and agro-ecosystems	One ERPA signed in DRC for Ibi Bateke Carbon Sink Plantation
World Bank Forest Carbon Partnership Facility (FCPF)	Facility for capacity building support and pilot project funding	USD $300 million	REDD	Cameroon, Congo, DRC, Gabon currently eligible under first track.
World Bank Forest Investment Program	Fund for project financing	Size of fund expected to be about USD $1 billion	REDD, SFM	Unknown which countries will be eligible for funding
WWF	NGO focused on capacity building, awareness building, policy development and pilot projects	N/A	Forest and biodiversity protection, REDD	All countries in sub-region receive policy support. Actively developing an "early action" REDD project in CAR

It is evident from Table 1 that the majority of initiatives in the sub-region are primarily focused on forest protection and REDD. This makes sense as the sub-region will be a key area for the successful implementation of a future REDD mechanism and associated AFOLU activities at the margins of tropical forests. The sub-region's potential to tap into any future REDD mechanism however will require that national governments and institutions are simultaneously informed and engaged in the mechanism's design, to ensure that it best meets the sub-region's needs, while also prepared to successfully access any future sources of funding. In light of this, support for REDD in the sub-region has come at many different levels.

A large emphasis has been placed on supporting the policy decision making process of the various governments in the sub-region. A significant amount of importance and support has been given to COMIFAC's *Plan de Convergence* and its desire to formulate a coherent REDD position for the sub-region. The Congo Basin Forest Partnership (CBFP) for example was established solely to support COMIFAC. It plays a facilitation role for various stakeholders active in supporting COMIFAC by providing organizational support for COMIFAC members, technical assistance, facilitating financing and funding, and sharing relevant knowledge and data. NGOs such as WCS and WWF, with funding from the Agence Française de Développement, have similarly aimed to provide policy support to COMIFAC member governments by seconding climate change specialists to COMIFAC country ministries and delegations attending COPs. These NGOs have also been active in ensuring that governments are engaged and prepared to benefit from the various funding sources available for REDD activities, such as the World Bank's Forest Carbon Partnership Facility (FCPF) and UN-REDD.

The World Bank's FCPF aims to assist developing countries in their efforts to reduce emissions from deforestation and degradation through a two staged approach. The initial readiness mechanism aims to build technical capacity to measure national carbon stocks in forests and arrive at a credible baseline estimate of emissions from deforestation in 30 developing countries. Under the second stage a limited number of select countries will be involved in a carbon finance mechanism to act as a testing program for delivering performance-based incentive payments for pilot activities that reduce emissions from deforestation. The FCPF aims to raise US$ 300 million for its activities. Similarly to the first stage of the FCPF, the US$ 35 million UN-REDD program aims to provide eligible developing countries with capacity building in preparation of a future REDD mechanism. This program also aims to support international REDD negotiations by developing coherence around key technical and operational issues in relation to REDD and ensuring that relevant stakeholders remain informed on any REDD developments.

Besides the funding sources from the FCPF and UN-REDD, several other forestry related funds exist that support REDD activities. REDD is not always the principal focus of these funds, however it is recognized as an important development on the international scene with direct relevance for the sub-region and REDD activities are supported by these funds. These include the Congo Basin Forest Fund (CBFF), World Bank Forest Investment Program, GEF Strategic Program for Sustainable Forest Management in the Congo Basin and the Norwegian International Climate and Forest Initiative.

- The CBFF benefits from GBP 100 million in funding from the Norwegian and UK governments, to be disbursed for projects that support the Congo Basin's people and institutions to effectively manage their forests, support community livelihoods and reduce rates of deforestation, in line with Strategic Areas 2, 6 and 9 of COMIFAC's *Plan de Convergence*.
- The World Bank Forest Investment Program plans to mobilize significantly increased funds (the anticipated size is US$ 1 billion) to reduce deforestation and forest degradation and to promote sustainable forest management, leading to emission reductions and the protection of carbon reservoirs. It is anticipated that this program will help to fill the investment gap between "readiness" funding and actual projects able to generate emission reductions. The exact goals of this program are still to be determined, including which sub-regions or countries it chooses to prioritize.
- The GEF Strategic Program for Sustainable Forest Management in the Congo Basin will focus on strengthening the protection and sustainable management of forest ecosystems in the Congo Basin through a program of activities. The program will principally focus on the conservation of biodiversity, sustainable management of natural resources and the strengthening of institutional and sustainable financing frameworks for sustainable ecosystem management, which could include carbon financing. The exact size and goals of this program are still to be determined.
- The Norwegian International Climate and Forest Initiative is a 3 billion NOK a year program focused primarily on ensuring that REDD form a part of a post-2012 climate treaty. It supports a range of activities including policy support, capacity building, technical support, pilot project financing and research into REDD. So far the majority of its activity has been through the funding and support of both the CBFF and UN-REDD programs.

There is much uncertainty around how a future REDD mechanism will actually work and specific support programs and funding sources for REDD are all of a recent nature. This contributes to a situation where few "early action" or pilot projects exist. Nonetheless, a few examples of pilot REDD projects exist in the sub-region.

- WWF is developing an "early action" project in the Sangha Tri-National Reserve. The initial project area is focused in CAR with a possibility of extending this area into the surrounding countries at a future date
- WCS is developing the Takamanda - Mone Landscape project in Cameroon as a potential "early action" REDD project with UNEP funding, in partnership with CIFOR, CIRAD
- A consortium comprised of GTZ, European Space Agency and KfW are also supporting a REDD pilot project in Cameroon with hopes that the lessons learned from this project will serve as an example for the rest of the sub-region.

Initiatives that support activities beyond REDD are few in the sub-region. Most notable though is UNEP's CASCADe program operating in Cameroon, DRC and Gabon. This program is focused on providing capacity building and technical project assistance for projects in the AFOLU sector seeking carbon market access. While REDD is a possible category for funding under this program, its remit is larger and includes any project type that reduces GHG emissions in the agriculture, siviculture or forestry sectors. To date, several projects in each of the three countries have been identified and are currently receiving the necessary support to achieve carbon market access. The initial project types identified under this program include reforestation (4), use of biomass residue for cogeneration (3), improved cooking stoves (1) and the protection of a mangrove habitat (1).

Another initiative focused on making carbon market opportunities a reality on the African continent is the African Carbon Asset Development (ACAD) Facility. Although not expected to become operational until early 2009, it aims to promote the development of African carbon markets and capacity gap by bringing promising CDM opportunities forward to implementation. It will provide up-front technical and financial support to selected projects, while also building the capacity of financial and related investment intermediaries, in an attempt to improve understanding of the CDM and subsequent success rate for CDM projects in Africa.

4.3 Adaptation activities

Funding specific for adaptation to climate change activities is a recent trend and has received far less attention than mitigation activities to date. Fewer funds exist at the international level and therefore fewer opportunities to successfully finance adaptation activities. Nonetheless, this section discusses projects financed by adaptation funding, as well as initiatives that are attempting to improve the sub-region's access to adaptation funding. These are summarized below in Table 2.

Table 2. Summary of adaptation initiatives in the Central Africa sub-region

GEF Funds	Focus Areas	Volume pledged	Status	Eligibility	Projects funded in sub-region

GEF Funds	Focus Areas	Volume pledged	Status	Eligibility	Projects funded in sub-region
Strategic Priority for Adaptation (SPA)	Biological diversity, climate change, international waters, land degradation	USD $50m	As of May 2008 all funds have been allocated (21 projects). Program to be evaluated	Non-Annex 1	Rwanda receiving funding as part of a region-wide initiative to integrate vulnerability and adaptation to climate change into policy planning
Least Developed Countries Fund (LDCF)	Supports implementation of NAPAs	USD $180m (receiving additional pledges)	USD $36.8m disbursed (12 projects). Open for project ideas.	Only Non-Annex 1 LDCs	1. CAR, Chad, DRC, Rwanda and Sao Tome & Principe received funding for the preparation of their NAPAs 2. DRC received funding for building the capacity and resilience of its agriculture sector
Special Climate Change Fund (SCCF)	Water, land management, agriculture, health, infrastructure development, fragile ecosystems, integrated coastal zone management, disaster risk management and prevention	USD $90m	USD $67.6m disbursed (17 projects). Open for project ideas	Non-Annex 1	No projects in sub-region
Adaptation Fund	Adaptation projects and programs in developing countries that are particularly vulnerable to the adverse effects of climate change	Expected to receive between USD $100 – 500 million by 2012	Over 5 million CERs in holding account. Not operational yet.	Non-Annex 1	Has not begun disbursements
Climate Change Adaptation in Africa (CCAA)	Research and capacity development program aims to significantly improve the capacity of African countries to adapt to climate change in ways that benefit the most vulnerable	N/A	Funded 37 projects in Africa since April 2006. Open for project ideas	Africa	2 specific projects in Central Africa
GEF Small Grants Programme (SGP)	Activities of non-governmental and community-based organizations in developing countries in	N/A	USD $247m disbursed so far in 9,500 grants. Open for project	Countries that ratified both the UNFCCC and CBD	2 adaptation specific projects in Rwanda

GEF Funds	Focus Areas	Volume pledged	Status	Eligibility	Projects funded in sub-region
	five focal areas including adaptation		ideas		
Global Facility for Disaster Reduction and Recovery (GFDRR)	Improve the ability of low and middle income countries to respond and manage disaster reduction and recovery, including adapting to climate change	N/A	N/A	Low and middle income countries	Supported three regional projects in sub-region that include Burundi, DRC, Congo, Rwanda

4.3.1 Projects funded by the three main GEF adaptation funds

Central Africa's success at accessing funds from the SPA, LDCF and SCCF has been limited. No country has successfully received funding under the SCCF to date, and only limited access to the LDCF and SPA has been observed. CAR, Chad, DRC, Rwanda and Sao Tome Principe successfully received receiving support under the LDCF for the preparation of their NAPAs, although in each case the amount disbursed was limited to USD 200,000. DRC is the only country to receive any further funding towards the implementation of its NAPA through funding for a project entitled "Building the Capacity of the Agriculture Sector in DR Congo to Plan for and Respond to the Additional Threats Posed by Climate Change on Food Production and Security". Total financing from the GEF for this project was USD 3.1 million.

The SPA is the only other fund to have financed a project in the sub-region. Rwanda received financing as part of a USD 1 million region wide initiative to integrate vulnerability and adaptation to climate change into policy planning. Other countries as part of this initiative include Kenya, Madagascar, Mozambique and Tanzania.

Of these three funds, the greatest opportunities for the sub-region exist under the LDCF where only USD 36.8 million of the USD 180 million pledged has thus far been disbursed. Furthermore, the fund's requirement that project host countries be LDCs limits the number of eligible countries as opposed to the other funds that focus more broadly on non-Annex 1 countries. Funds from the SPA are no longer available while SCCF disbursements are beginning to approach the total amount pledged.

4.3.2 Other adaptation support programs and initiatives

Beyond the GEF managed adaptation funds, limited evidence was found of other initiatives operating in the sub-region to promote or improve access to adaptation specific funding. It should be repeated however that this is unsurprising considering the limited amount funds currently available at the international level specifically for adaptation projects.

The Adaptation Fund has begun collecting CERs from its 2% levy on issued credits from large-scale CDM projects, and is currently in possession of over 5 million CERs in a holding account. As more CERs enter this account, and the Adaptation Fund Board begins to monetize these, it is anticipated that the fund will be able to raise between USD 100 – 500 million by 2012. This would make the Adaptation Fund one of the largest and most significant sources of adaptation funding at the international level. The fund however it is still not operational and has not funded any projects to date. It is anticipated that it will begin disbursements in 2009 once all the administrative and legal arrangements decided upon during the most recent COP/MOP in Poznan, December 2008, are implemented. The fund anticipates focusing on "particularly vulnerable" developing countries, a category for which most if not all of the Central African countries will qualify. Previous UNFCCC guidance on the Adaptation Fund has stipulated that funding should be reserved for projects that follow national sustainable development strategies, NAPAs, poverty reduction strategies and National Communications. In order for the sub-region to benefit from this emerging fund it is therefore important that national strategies with relation to adaptation, poverty alleviation and sustainable development be clearly communicated and available to a wide range of stakeholders.

At a sub-regional level, the Climate Change Adaptation in Africa (CCAA) research and capacity development program aims to significantly improve the ability of African countries to adapt to climate change in ways that benefit the most vulnerable. The CCAA is a joint program of the International Development Research Centre (IDRC) and the Department for International Development (DFID). It primarily focuses on improving the science behind adaptation to better inform the policy process. Of particular interest is the CIFOR managed Congo Basin Forests and Climate Change Adaptation (CoFCCA) program and focused on Cameroon, CAR and DRC. Through consultative and participatory actions the program aims to inform science-driven policy dialogue, assess the vulnerability of forest dependent communities to climate change and build the adaptive capacities of these communities.

Rwanda was the beneficiary of adaptation specific funding on two occasions for the construction of water cisterns and the production of solid fuel briquettes from municipal waste under the GEF Small Grants Programme (SGP). The SGP supports activities of non-governmental and community-based organizations in developing countries in five focal areas of which one is adaptation to climate change.

The only other initiative to found in the sub-region is the Global Facility for Disaster Reduction and Recovery (GFDRR), whose overall aim is to improve the ability of low and middle income countries to respond and manage disaster reduction and recovery, of which improving adaptive capacities to limit the impact of climate change is one element. The GFDRR has funded region-wide projects that include Burundi, Congo, DRC and Rwanda at the governmental level to improve capacity, disaster risk management and climate modeling. Rather than focus on improving the adaptive capacities of specific communities these projects have been more focused on improving the response systems and capabilities of the government to climate change impacts.

Development organizations such as GTZ and USAID mentioned that they have made integrating adaptation concerns a key component in project and program design. This means that whereas they may not have specific funding for adaptation in the sub-region, projects that exhibit greater potential to improve adaptive capacities under other funding streams are looked upon favorably.

4.4 Discussion of results and relevance for the UNCCD

The above analysis clearly demonstrates that the Central Africa region has so far been unsuccessful at accessing either climate change mitigation or adaptation financing. This has primarily been due to the poor investment climate that has deterred carbon market investors, as well as the exclusion of key sectors under the carbon markets that have the greatest mitigation potential for Central Africa. Slightly more promising is the level of activity to help support and prepare the sub-region to improve its access to carbon markets. Provided below is a discussion of the results and its relevance to the UNCCD and its stakeholders.

The established institutional framework to support the development of mitigation and adaptation projects in the sub-region is in many cases weak. The INCs are of variable quality and in many cases offer limited guidance as to the mitigation and adaptation priorities of each country. More encouraging is the overall quality of the NAPAs that appear more focused and propose several detailed project examples for which clear goals, objectives and funding requirements are established. Interestingly, where strategic priorities or project ideas are identified, in both the INCs and NAPAs, a clear link to UNCCD goals is observed. Many of the project ideas relate to the agricultural land-use, forestry, and renewable energy sectors. More specifically activities that focus on reforestation and improved forest management, improved agricultural land management, installation of solar voltaic panels and improved cooking stoves, and improved grazing land management have all been proposed.

However, the lack of clarity observed in some of these key documents raises concerns as to the degree that mitigation and adaptation priorities have been identified and incorporated into national policies. While it is encouraging that some of the identified mitigation and adaptation strategies fall within UNCCD relevant areas (as outlined in the previous paragraph) it is unclear to what extent these sectors will receive support from national or regional governments. In order for UNCCD stakeholders to benefit from climate change financing it is important that governments clearly identify mitigation and adaptation strategies, that these strategies include elements that are directly relevant for the UNCCD and that the strategies be communicated clearly at the international, national and regional level. This will provide guidance for both project developers and government officials as to national priorities with respect to climate change mitigation and adaptation and ensure that projects that fall within these strategies are properly supported.

With regards to actual carbon market project level experience, it is quite apparent from the results that carbon related finance has made limited inroads in the Central Africa sub-region. It appears that the more general institutional and investment barriers that affect Africa also manifest themselves in this sub-region, thus limiting its ability to contribute to climate change mitigation. Only four of the ten countries have established a DNA – normally a significant barrier to the successful implementation of the CDM. However, regardless of the presence of these DNAs, not a single project has been successfully registered under the CDM in the sub-region. What's more, the pipeline of potential CDM projects is very thin suggesting that the lack of a DNA is not the most significant bottleneck to project development. The lack of projects in the sub-region in the voluntary market – that do not require DNA approval – supports this claim. Instead, it would appear that other obstacles are preventing projects from even entering the carbon market project cycle such as the sub-region's limited knowledge and experience with carbon markets, the poor investment climate and overall difficulties with regards to governance that discourages potential project developers and investors from engaging in project development.

The overall limited experience in the region with carbon markets suggests that projects, including those that are UNCCD relevant, will face a number of stumbling blocks before successfully generating credits. At the institutional level, the lack of DNAs in a number of countries needs to be addressed if projects in any CDM sector are to make headway. In the meantime, voluntary markets are more likely to provide a more flexible and safer route to carbon market participation. Furthermore, although not necessarily within the remit of the UNCCD stakeholder community, an improvement in the overall governance and investment climate in the region is almost certainly necessary before an upswing in investor activity will be seen. Despite these challenges, several initiatives have begun to provide technical, financial and policy support (e.g. CASCADe, COMIFAC, ACAD, COMESA) for the development of pilot projects in the sub-region and improvement in the institutional framework, thus paving the way for greater private sector engagement in the future. The success of these pilot projects, especially those in sectors such as AFOLU, will set an important precedent for other projects in the region.

The number of programs and initiatives to support the further development of carbon mitigation related finance in the sub-region stands in stark contrast to the number of actual credit generating projects. These initiatives predominantly focus on preparing the sub-region for a future REDD mechanism and ensuring that its design best suits the sub-region's needs. Much of the attention in this space has been at the policy level, primarily supporting COMIFAC with awareness building, capacity building, and financial and organizational support as it develops and negotiates a common REDD policy position. Several other forestry specific funds are also in place in the sub-region to support REDD activities, again, mostly at the policy and capacity building stage while a few are supporting pilot/"early action" REDD projects. The presence of these numerous funds offers short-term opportunities to fund UNCCD related projects that incorporate elements of REDD and SLM.

REDD is of direct relevance to the UNCCD as it would simultaneously promote forest protection, sustainable land management and the avoidance of land degradation. However, the predominant focus of REDD to date has been on tropical regions which, although at risk of suffering from land degradation, are less vulnerable to the risks of desertification. Of more interest to the UNCCD stakeholder community would be areas at the interface of agricultural and settlement expansion with forests, particularly in regions that are semi-arid where the risk of land degradation and desertification is greatest. The extent to which a REDD mechanism will overlap with these UNCCD relevant regions and activities is still to be determined through the ongoing negotiation process. It is thus important that UNCCD stakeholders be involved in this ongoing policy debate to ensure that project activities relevant to the implementation of the UNCCD are included in this mechanism's design.

In the short-term, other activities with direct relevance to UNCCD goals should theoretically be more attractive for the sub-region as these have a greater chance of receiving actual financing. This would include project types such as A/R, agriculture, rural energy, agroforestry, cooking stoves and biomass cogeneration. Activities in these sectors are directly relevant for the UNCCD and, to a limited extent, are already successfully generating credits under either the CDM or voluntary markets in many parts of the world. However the sub-region is remarkably absent of either projects or initiatives to support these project types, the notable exceptions being the UNEP CASCADe project and COMESA's African Bio-Carbon Initiative, which is primarily focused on the neighboring sub-region but whose outcomes will have wider applicability to the rest of the sub-region.

The limited scope for AFOLU activities under the CDM, a sector with significant potential for the sub-region, is a serious hindrance to the uptake of carbon markets in Central Africa. Changes to the current CDM framework are required in order for the UNCCD community to benefit from climate change related financing in the AFOLU sector. The scope for AFOLU projects needs to be enlarged to include more land-use type activities and the rules and procedures governing the AFOLU sector simplified. Otherwise, many of the sectors with the most relevance to the UNCCD will continue to be excluded from possible climate change financing sources. The lack of actual projects in the sub-region also means others cannot benefit from previous experience and further hinders the sub-region's ability to access mitigation financing. In the meantime, voluntary markets offer a more attractive route to receiving climate change mitigation financing, especially in UNCCD relevant AFOLU sectors.

Even more neglected in the sub-region is the potential for small-scale renewable energy projects, especially in the rural context. As with AFOLU above, reforms are required at the CDM level to promote this project type in the sub-region and kick-start pilot activities that will set a precedent from which other project developers can learn and draw lessons. Addressing the issue of accounting for emission reductions that displace off-grid emissions is also necessary to make this sector more feasible in the sub-region. Voluntary markets could provide an opportunity for these projects although their small size may still be a hindrance.

Due to the typically small size of projects in Africa further reforms with respect to small-scale projects will also be necessary to improve the region's access to carbon finance. Simplifying the rules and procedures for Programme of Activities (PoA) – a CDM mechanism designed to allow for the bundling of smaller projects under one umbrella program – will provide greater opportunities for African projects. To date, the PoA has not met expectations with regards to facilitating the registration of smaller projects and needs to be reformed. It remains a complicated and cumbersome process. Many UNCCD relevant projects in the agriculture, agroforestry and SLM sectors are often small and generate a limited number of emission reductions. The simplification of PoA rules will therefore provide another avenue through which projects in the sub-region can access carbon finance.

Globally, adaptation activities benefit from far fewer financing opportunities as compared to mitigation activities due to the less developed landscape for adaptation funding. Internationally, fewer funds, facilities and initiatives exist to address this aspect of global warming. Nonetheless, the Central Africa sub-region has struggled to access the adaptation financing that does exist. Of the main GEF adaptation funds only the LDCF has a significant amount of funds still available to finance concrete projects further hindering the possibility for the sub-region to access adaptation funding. The other GEF funds have either fully committed their funds or are approaching full commitment. At the international level discussions are underway to increase both public and private sector funding for adaptation beyond what is currently available through the GEF, particularly for the Adaptation Fund, to address this lack of funding.

An avenue that offers more promise for adaptation funding is the Adaptation Fund of the Kyoto Protocol due to the anticipated size of its available funds (US$ 100 – 500 million) that are yet to be disbursed. As mentioned previously however, national adaptation priorities must be clear and promoting projects that reflect NAPA strategies will be key to accessing adaptation funding. While some countries have already identified UNCCD relevant strategies within their NAPAs, it will be necessary to ensure that all countries fully integrate these into their national policies. Awareness raising, capacity building and support on meeting adaptation funding requirements by UNCCD stakeholders will also help to ensure that the Central Africa sub-region successfully accesses the additional funding available from the Adaptation Fund for UNCCD activities.

With regards to a geographical prevalence, three countries in the sub-region stand out as having marginally more activities than the rest: Cameroon, DRC and Rwanda. Interestingly, while the majority of activities in Cameroon and DRC relate to mitigation, Rwanda appears to be a more successful candidate at receiving support for adaptation activities.

Cameroon was identified by several of the interviewees as the country in the sub-region with the most developed legal, economic and political structures, which makes it a more attractive location for investment. This has contributed to its ability to attract a greater share of the carbon finance investment in the sub-region, evidence of which is the larger number of initiatives and pilot projects operating in-country. This contributes to a higher overall capacity with carbon related finance and a greater likelihood for success for a carbon project. The greater number of initiatives and activities in Cameroon also means that opportunities exist to create synergies and build upon past experiences to further promote carbon markets in-country.

DRC on the other hand has some of the lowest governance and investment climate indicators in the world, yet has also been receiving a considerable share of sub-regional investments. The protection of DRC's forests and its carbon stocks have recently become the focus of many international donors as the country emerges from a long period of political and social instability. The Congo Basin in general and DRC's forests in particular, are seen as key in the ongoing efforts to mitigate climate change and protect biodiversity. While the protection of these forests is important for SLM more broadly, these tropical forests are of less relevance to the goals of the UNCCD and its focus on semi-arid and arid ecosystems. Important lessons can nonetheless be learnt from these initiatives for the wider region that might have applicability to UNCCD relevant sectors in other countries.

The international community in general has focused much attention on Rwanda following its recent period of political and social unrest, which may be a contributing factor to its success in receiving greater assistance for its adaptation efforts. Many of these activities have been at the government and institutional level to incorporate adaptation planning into national policies. While little experience exists with on-the-ground project experience, several of the adaptation strategies identified by Rwanda are in UNCCD relevant sectors and could therefore benefit indirectly from this institutional support.

While the region has received little in the way of financing for on-the-ground mitigation or adaptation activities, the sheer number of initiatives, particularly in relation to REDD, are an encouraging sign that this region will take a more prominent role within the carbon markets in the future. A large number of donors, international organizations and NGOs are actively supporting the region, which offers opportunities for joint collaboration and targeted support in areas that have UNCCD relevance. Specific recommendations on how this region could further improve its access to carbon finance, and in particular for UNCCD relevant sectors, are offered in the following section.

5 Conclusions and Recommendations

The following section provides some overall conclusions to the study and makes recommendations for the sub-region to help improve its access to climate change related financing and funding.

5.1 Conclusions

Some overall conclusions to the study are provided in the following section. Firstly, some general conclusions are provided followed by those more specifically relating to mitigation and adaptation financing.

5.1.1 General conclusions

- **Carbon markets have made little in-roads into the Central Africa sub-region.** The lack of actual projects and investment flows to support the generation of emission reductions both for the CDM and voluntary markets remains at an extremely low level in the sub-region. This has been due to a range of factors, some specific to the rules and requirements of the CDM, others due to country-level conditions that particularly discourage private investment – investments needed in addition to and complementary to public investments for facilitation measures and carbon purchases.

  At the country-level, the unattractive investment climate and lack of capacity within the government, private sector and other stakeholders dissuades investors from investing in what they perceive as risky, long-term projects. At the CDM level, the currently limited scope for projects in the land-use sector has effectively eliminated the majority of Africa's carbon trading potential. This is not the same case in the voluntary markets. It is expected that the framework conditions will change with a view to a new post-2012 climate agreement and African governments will step up, engage in the negotiations to demand a better representation of the relevant mitigation sectors (i.e. agriculture, forestry and other land uses, soil carbon, AFOLU) in the carbon trading or other climate finance mechanisms.

- **The institutional setting offers limited guidance and opportunities for carbon market projects.** The lack of clarity in key documents such as the INCs and NAPAs, the absence of DNAs and limited project experience in many countries makes for an unattractive institutional setting within which to attempt project development. National mitigation and adaptation priorities and key government structures must be in place to facilitate the development of carbon market mitigation or adaptation projects. National capacities must be strengthened and project level experience promoted if the sub-region is to successfully become active within carbon markets

5.1.2 Conclusions on mitigation activities in the sub-region

- **Mitigation opportunities in the sub-region are marginal to the carbon markets and its framework conditions in its current forms.** The types of projects with the most potential for the sub-region play a limited role within the current carbon markets, because of their complexity (i.e. afforestation/reforestation projects), exclusion from the major markets (i.e. REDD and most AFOLU activities under the CDM, soil carbon) or their limited ability to generate substantial volumes of emission reductions (i.e. cooking stoves, biomass energy use or off-grid electricity generation). A couple of reforms are under way or are currently being negotiated under the CDM such as simplifying the PoA approach under the CDM, accounting for emission reductions from projects that displace off-grid electricity and lowering costs for projects in Africa. In addition, several support mechanisms are being designed which are tailored to support the development of projects in the agricultural, rural (energy) and land use sector, such as the donor support for REDD under the COMIFAC umbrella and AFOLU under COMESA, all of which are designed to support the development and up-scaling of projects with relevance to the Central Africa context.

- **A great emphasis is being placed on the potential for REDD in the sub-region.** A large number of initiatives and programs related to REDD are active in the sub-region. This is a mechanism that, depending on its final design, could help improve the amount of financing entering the sub-region for mitigation related activities. Its potential to provide significant sums of financing will be dependent on the mechanism's final design. Its final design is also crucial for its applicability to the UNCCD. The Central Africa sub-region's biomes are diverse, ranging from tropical forests to dryland forests therefore the possibilities for each country in the sub-region to benefit from REDD will depend greatly on the flexibility of this mechanism's final design. Of particular interest is how the final REDD mechanism deals with issues such as forest definitions, inclusion of degradation as well as deforestation, and the inclusion of elements of carbon stock enhancement – all of which would have direct relevance for UNCCD goals.
- **Little support exists for activities in the agricultural and other land-use sectors outside of REDD.** Currently, mitigation activities in areas such as agricultural land management, grazing land management, soil conservation, agro-forestry and reforestation are limited in the sub-region and do not reach their full potential. For the most part these sectors are currently either ineligible, i.e. under the CDM (see above on latest developments under the UNFCCC) or play a limited role in current voluntary carbon markets. This is however due to change as the US develops its own national trading system and the UNFCCC reengages with these sectors, both of which are important developments that could bolster the importance of these sectors.

  Projects in these sectors hold significant mitigation potential in Central Africa while also offering attractive co-benefits such as promoting sustainable development, poverty alleviation and adaptation to climate change. These attributes are increasingly asked for by investors or carbon buyers seeking high-quality credits in the voluntary carbon markets, as well as being favored by public purchase programs. These are sectors with direct relevance to the UNCCD, as they are often situated in arid to semi-arid regions and therefore the most prone to land degradation and ultimately desertification. They are also some of the most vulnerable to climate change and particular attention to their adaptive needs will be required in the years to come (see below on adaptation)

- **Projects in the rural energy for the carbon markets are nearly absent in the sub-region.** Very little activity in this sector exists in the sub-region despite their potential to support rural development, mitigate emissions and contribute to adaptation. The potential for projects in this sector is great and requires more attention.

5.1.3 Conclusions on adaptation activities in the sub-region

- **Limited amounts of adaptation funding have reached the sub-region**. Globally, adaptation activities do not benefit from the same level of funding opportunities as mitigation activities. Nonetheless, the Central Africa sub-region has not been a significant beneficiary of funding from the major adaptation funds to date. The funds that have been disbursed in the sub-region have mainly focused on improving capacity at the governmental level to incorporate adaptation into planning and policy making. Concrete projects to materialize adaptive capacities on the ground are still to be developed.
- **Adaptation priorities must be set by all countries in the sub-region.** It is crucial that all countries in the sub-region clearly establish their adaptation priorities. Their opportunities to receive funding will be dependent on their ability to clearly identify sectors and areas that are most vulnerable to climate change and develop strategies to protect them. Clearly stated goals and project or program ideas will simplify possibilities for financing. This is especially pertinent as the Adaptation Fund becomes operational and begins to disburse funds.

5.2 Recommendations

Provided below are recommendations for the Central Africa sub-region to improve its opportunities to benefit from climate change related financing and funding in ways that will support the implementation of and the UNCCD while using mitigation and adaptation funding opportunities provided by the UNFCCC. These relate to accessing available funding sources in short-term as well as influencing the ongoing policy discussions in ways that will facilitate Central Africa's access to climate change finance in the future.

These recommendations are organized both temporally (short and medium to long term) and by relevant stakeholder group to best identify responsibilities and the most immediate steps to be taken. The stakeholder groups identified include those at the sub-regional level (e.g. COMIFAC, COMESA) national level (e.g. UNCCD focal points, UNFCCC focal points) and the wide array of development partners active in these areas, including the World Bank and UN organizations (i.e. UNDP, UNEP, UNCCD), bilateral donors (such as the Agence Francaise de Developpment, GTZ, KfW and USAID) and NGOs (e.g. WWF, WCS, etc).

5.2.1 Short term recommendations

Negotiate the design of a future REDD finance mechanism to make it UNCCD relevant in the Central Africa context. The inclusion of REDD in a post-2012 agreement looks likely and the potential for this mechanism to reward activities in the sub-region that reduce rates of deforestation and degradation is immense. The Central Africa sub-region is central to any debate on REDD and the success of this mechanism will depend in large part on its ability to incorporate the sub-region's needs into the mechanism's final design. Opportunities therefore exist to ensure that this mechanism's final design is UNCCD relevant through its wider application to dryland forests, agroforestry and savannah forests, and not simply tropical forests. In this regard the following recommendations are made:

COMIFAC:

- Conduct the necessary political and technical discussions within COMIFAC to identify a common position for the inclusion of UNCCD relevant forestlands within a REDD mechanism (low-carbon forests, drylands, etc.)
- Act as the umbrella for all parties in the region to promote a common position at the international level (UNFCCC) regarding REDD and the inclusion of UNCCD relevant sectors for all COMIFAC member countries.
- Communicate the outcomes of international negotiations to the relevant government stakeholders so that national policies, legislation and government structures can be modified and amended as needed in order to be best placed to benefit from a future REDD mechanism.

UNCCD focal points:

- Communicate UNCCD areas of interest and needs to national FCCC focal points, COMIFAC ministers and other relevant government staff with respect to a future REDD mechanism so that this can be communicated to party negotiators and inform the development of a common UNCCD relevant REDD position for the region.
- Provide input for position building and negotiations on REDD. This is especially pertinent for countries with less direct potential to benefit from REDD (e.g. Chad, Burundi, Rwanda) who should remain engaged in the debate to ensure that the mechanism's design recognizes and rewards efforts, not only in tropical biomes, but also in more arid and semi-arid areas.
- Assess the situation in-country with regards to current REDD activities and identify where knowledge gaps, capacity needs and promising pilot opportunities exist.
- Ensure that the outcomes of the international negotiations process is divulgated and understood by all the relevant people at the national level in preparation for a future REDD mechanism.

Development partners:

- Provide awareness raising, capacity building and technical support to all UNCCD concerned stakeholders on UNCCD relevant REDD issues. This could be for UNCCD and/or FCCC focal points, COMIFAC, government staff or national delegations to climate negotiations.
- Actively support the development of country-level positions with regards to UNCCD relevant REDD through both technical advice and the provision or mobilization of resources.
- Support and/or kick start REDD activities. Depending on the needs identified by UNCCD focal points this could come in the form of awareness raising, project or program design, technical support or project financing.

Global Mechanism:

- Support the COMIFAC process through technical contributions to the debates and process with regards to the identification of common positions on UNCCD relevant REDD aspects.
- Provide information to UNCCD focal points on the UNCCD relevance of the ongoing REDD discussions and negotiations to use when communicating with national government staff and FCCC focal points to help position building for the international climate negotiations.
- Support the in-country mapping of REDD activities and gap analyses to support the preparation and implementation of concrete capacity building and pilot activities in each country. This can also include support with awareness raising campaigns that inform relevant national UNCCD stakeholders about the outcomes and the relevance of the negotiations on REDD.
- Partner or join forces with donors/development partners with regards to the provision and implementation of awareness raising, capacity building and technical support campaigns, including the provision of co-funding.

Negotiate for the full inclusion of the AFOLU sector in future climate agreements. This will incorporate one of the sub-region's main mitigation potentials into the Kyoto compliance market, and any other mechanisms that may emerge from a post-2012 agreement, increasing the sub-region's chances of benefiting from increased financial flows for SLM activities. Its inclusion will generate significant additional opportunities for the sub-region in the carbon markets. As the point of reference for the voluntary markets, developments of this sort in the compliance market will also create further sales opportunities for credits from these sectors in the voluntary market before 2012. It is recognized that COMESA is more actively engaging in the wider AFOLU discussions while COMIFAC is focused on REDD issues. It should therefore be determined whether both of these bodies undertake this task for their respective region, or whether each concentrates on one aspect only (i.e. COMIFAC on REDD and COMESA on AFOLU). In this regard, similar recommendations are proposed as those above for ensuring that the future design of a REDD mechanism is UNCCD relevant.

COMIFAC/COMESA:

- Conduct the necessary political and technical discussions within COMIFAC and COMESA to identify a common position for the full inclusion of AFOLU within future climate agreements.
- Act as the umbrella for all parties in the region to promote a common position at the international level (UNFCCC) regarding the inclusion of AFOLU in future climate agreements.
- Communicate the outcomes of international negotiations to the relevant government stakeholders so that national policies, legislation and government structures can be modified and amended as needed in order to be best placed to benefit from the inclusion of AFOLU.

UNCCD focal points:

- Assess the situation in-country with regards to current AFOLU activities and identify where knowledge gaps, capacity needs and promising pilot opportunities exist.
- Communicate UNCCD areas of interest and needs to national FCCC focal points, COMIFAC ministers and other relevant government staff with respect to the inclusion of AFOLU within a

future climate agreement so that this can be communicated to party negotiators and inform the development of a common UNCCD relevant AFOLU position for the region.

- Provide input for position building and negotiations on AFOLU.
- As above, UNCCD focal points should ensure that the outcomes of the international negotiations process is divulgated and understood by all the relevant people at the national level in preparation for the inclusion of AFOLU activities.

Development partners:

- Provide awareness raising for all UNCCD concerned stakeholders on UNCCD relevant AFOLU issues. This could be for UNCCD and/or FCCC focal points, COMIFAC, government staff or national delegations to the climate negotiations.
- Actively support the development of country-level positions with regards to UNCCD relevant AFOLU through both technical advice and the provision or mobilization of resources.
- Support initiatives that promote the land use, agriculture, (agro)forestry, and rural energy sectors such as CASCADe or the COMESA African Bio-Carbon Initiative. Pilot projects will help to promote the science, capacity and knowledge surrounding the issue of SLM and carbon mitigation potentials.
- Support and/or kick start AFOLU activities. Depending on the needs identified by UNCCD focal points this could come in the form of awareness raising, project or program design, technical support or project financing.

Global Mechanism

- Support the political and technical discussions within COMIFAC and COMESA through the provision of underlying analyses with regards to the potential and options for the best possible inclusion of AFOLU relevant activities in a post-2012 agreement to allow the UNCCD and the Central African region to benefit from increased climate change financing.
- Provide information to UNCCD focal points on the UNCCD relevance of the ongoing AFOLU discussions and negotiations to use when communicating with national government staff and FCCC focal points to help position building for the international climate negotiations.
- Support the in-country mapping of AFOLU activities and gap analyses to support the preparation and implementation of concrete capacity building and pilot activities in each country. This can also include support with awareness raising campaigns that inform relevant national UNCCD stakeholders about the outcomes and the relevance of the negotiations on AFOLU.
- Partner or join forces with donors/development partners with regards to the provision and implementation of awareness raising, capacity building and technical support campaigns, including through the provision of co-funding.

Pursue voluntary market opportunities for UNCCD relevant mitigation projects. The voluntary markets currently offer the greatest promise for supporting carbon mitigation projects in the short-term for the sub-region. Despite its smaller market value, and typically smaller transaction volumes, projects in Africa, in particular those that are UNCCD relevant (i.e. forestry, agriculture and livestock waste management, small-scale renewables), have performed better in this market than under the CDM. This market's preference for 'charismatic' projects with strong sustainable development ancillary benefits also makes it more attractive for projects in Africa. Voluntary market projects also benefit from not being reliant on the presence of a DNA. The UNCCD constituency should therefore:

UNCCD focal points:

- Increase awareness in-country on the opportunities of the voluntary market and identify possible mitigation projects with UNCCD relevance.
- Garner government support for any identified projects to ensure they receive proper backing throughout the project development cycle.
- Support identified projects to find financing either from the development community or potentially from private buyers.

Development partners:

- Support with the identification and promotion of voluntary carbon market projects in-country through the provision of expertise and financial resources.
- Provide technical and financial resources to projects identified by the UNCCD focal points. The presence of pilot activities will help to further promote carbon markets in the sub-region.
- Support with the identification of potential buyers. Development partners are more likely to be linked into a network of potential buyers, both private and public to whom pilot projects could sell their credits.

Global Mechanism

- Provide UNCCD focal points with relevant voluntary market material and directly support awareness raising and project identification activities in-country.
- Work with and sensitize national governments with regards to creating a supportive investment climate for carbon projects.
- Support the funding of identified project or program opportunities through assistance with preparing relevant proposals, preparing sales contracts and finding interested buyers and/or investors. In some cases potential buyers may be the actual development partners themselves who often have purchase programs for offset credits. Conversely, the GM and development partners could seek private buyers for credit purchasing.
- Collaborate with development partners to jointly identify and promote voluntary market opportunities in the sub-region through the provision of technical expertise with regards to mobilizing resources and raising funding.

Pursue currently available REDD funding for pilot activities. Several funds and facilities exist to support REDD related activities, many of which could have UNCCD relevance. These funds exist not only to support the ongoing climate change negotiations process but also to support activities that focus more generally on the protection and sustainable management of forests in the sub-region. Opportunities therefore exist to receive financing for projects that incorporate elements of SLM and forest protection. In this respect, the UNCCD community should:

UNCCD focal points:

- Identify which forest and REDD related funds are active in-country or the region, determine their funding requirements and promote their use to their national stakeholders.
- Identify project opportunities with potential to benefit from the available REDD funding sources and provide technical support with the development of project ideas and funding requests.

Development partners:

- Support with project design and the formulation of funding proposals.
- Support UNCCD focal points in the identification of possible funding sources and eligible projects.

Global Mechanism

- Provide UNCCD focal points with relevant REDD funding material and directly support awareness raising and project identification activities in-country with other development partners.
- Support the funding of UNCCD relevant project or program opportunities through assistance with preparing relevant funding proposals and offering co-financing.

Contribute to the negotiations on further CDM reforms with a view to UNCCD relevant activities or approaches. The simplification and promotion of Programme of Activities (PoA) should be negotiated by national delegations because of their direct relevance to the rural sectors and African context. PoA CDM reforms will be critical to take advantage of the normally small point source mitigation opportunities prevalent in Africa, especially in the agricultural and rural (energy) sectors. CDM reforms with regards to simplifying eligibility rules, accounting for low grid emission factors and lowering transaction costs for projects in Africa should also be negotiated.

National delegations/UNFCCC focal points:

- Identify the necessary CDM reforms at the country level that must be addressed during international negotiations that will open up opportunities for rural Africa.
- Collaborate with delegations from other parties to jointly push forward the necessary CDM reforms with applicability to the wider sub-region.

UNCCD focal points:

- Discuss and inform national UNFCCC focal points and delegates on the necessary CDM reforms to increase the opportunities for rural Africa under this market.
- Create awareness at the government level of the necessary CDM reforms to improve the country's access to climate change financing.
- Ensure that the outcomes of the international negotiations process is divulgated and understood by all the relevant people at the national level in response to any reforms to the CDM.

Development partners:

- Provide awareness raising for all UNCCD concerned stakeholders on the need for CDM reforms. This could be for UNCCD and/or FCCC focal points, government staff or national delegations to the climate negotiations.
- Actively support the development of country-level positions with regards to CDM reforms through both technical advice and the provision or mobilization of resources.
- Provide technical and financial resources where necessary to ensure delegations are present and properly prepared for the ongoing climate negotiations

Global Mechanism:

- Provide information to UNCCD focal points on the necessary CDM reforms that will promote the Central Africa sub-region's access to climate change financing.
- Partner or join forces with donors/development partners with regards to the provision and implementation of awareness raising, capacity building and technical support campaigns, including through the provision of co-funding.

5.2.2 Medium to long-term recommendations

Clarify adaptation funding needs and prepare for the operationalization of the Adaptation Fund. All countries in the sub-region should clearly identify their adaptation priorities and clarify where funding needs are most required. Six of the countries in the sub-region have produced NAPAs to date (Burundi, CAR, Chad, DRC, Rwanda and Sao Tome & Principe). Whilst of varying quality, these documents clarify the adaptation priorities of each country and identify specific projects for which funding is requested. Of the remaining four, Equatorial Guinea is a LDC and expected to produce a NAPA. Gabon, Cameroon, and Congo however should also undertake a similar exercise, to identify their national priorities with regards to adaptation and incorporate these into their national policies. Local and national capacities to identify and apply for adaptation funding sources should also be encouraged, particularly in preparation for the operationalization of the Adaptation Fund. More specifically therefore:

UNCCD focal points:

- Ensure UNCCD relevant activities are included in future drafts of NAPAs and INCs with a view to the outcomes and discussions of a post 2012 agreement.
- Support governments to fully include UNCCD relevant strategies and activities into their national policies.
- Educate and raise awareness at both national and local government level on financing opportunities for adaptation projects from the Adaptation Fund.
- Support trainings at the local and national government level in adaptation project and program identification, including the elaboration of funding proposals.
- Assist projects and programs in the actual elaboration of adaptation funding proposals.

Development partners:

- Provide financial and technical support for the training of local and national government level staff level on financing opportunities for adaptation projects from the Adaptation Fund
- Support governments to fully include UNCCD relevant strategies and activities into their national policies
- Provide technical assistance to projects and programs in the elaboration of adaptation funding proposals

Global Mechanism:

- Raise in-country awareness and capacity with other development partners on the technical aspects and requirements of various adaptation funding sources, including the Adaptation Fund.
- Provide information to UNCCD focal points on financing opportunities from the Adaptation Fund for adaptation projects.
- In collaboration with other development partners provide technical assistance to projects and programs in the elaboration of adaptation funding proposals.
- Provide guidance to the Adaptation board on the need to promote investments in the areas of land degradation and SLM and the opportunities for dual mitigation and adaptation to climate change.

Create or support the creation of a semi-autonomous "climate change agency". The sub-region should consider the establishment of a semi-autonomous agency to promote and facilitate climate change activities in the sub-region through technical and financial assistance. This would include both private funding, including carbon markets, NGOs, private investors and philanthropic organizations, as well as funding from public sources such as bi-lateral and multi-lateral banks. By acting as a conduit for investment and financing for project development, this agency would help to lower project development transaction costs in the sub-region. Furthermore, at the point of credit generation the agency could assist with the marketing and sale of these credits to interested buyers.

The COMESA climate change initiative is actually designed to provide the above investment facilitation alongside technical assistance (see section 3.4.3), particularly for activities in the AFOLU sector. This is an existing structure that can serve as the "climate change agency" for the Eastern and Southern Africa region. COMIFAC on the other hand is another structure that could provide the same function in the Central Africa region. Conversely, COMESA could take on all non-REDD AFOLU support for each of the Central, Eastern and Southern Africa regions while COMIFAC would do the same for all REDD issues. This would need to be determined through discussions between both COMIFAC and COMESA. At a later date, national off-shoots could be established to perform the same functions fulfilled by these regional bodies. A possibility would be to fold the "climate change agency" into existing national Investment Promotion Agencies at a future date.

COMIFAC/COMESA/FCCC & UNCCD focal points:

- Organize the development of a "climate change agency" for the region. Determine the full range of functions and responsibilities of this agency and assign an impartial, third-party entity to run it.
- Discuss need to be conducted on the opportunities for the establishment of this "climate change agency" within the current COMIFAC or COMESA structures. Discussions on whether each body takes on one specific issue (i.e. COMESA focusing on AFOLU and COMIFAC on REDD) for all three regions or whether separate bodies for each region are required.

Development partners:

- Facilitate the dialogue on the creation of a special "climate change agency" through the organization of dedicated meetings and the provision of financial resources
- Provide expertise, as requested, to determine the full range of functions and responsibilities of this agency.

Global Mechanism

- Support the development of a special "climate change agency" for the Central Africa sub-region, as the GM is already doing with its support for the design of COMESA's climate initiative/fund, ensuring that a SLM investment window is clearly elaborated
- Assist with facilitating the dialogue between COMIFAC and COMESA with regards to the separation of work between these two bodies.

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Annex 2 Glossary

Acronym	Name	Description
A/R	Afforestation and Reforestation	The only two activities in the LULUCF sector that are eligible under the CDM
ACAD	African Carbon Asset Development	Facility for upfront financing of projects in Africa destined for the carbon markets
AFOLU	Agriculture, Forestry and Other Land Use	Project category for mitigation activities in the land use and forestry sectors
CAADP	Comprehensive Africa Agriculture Development Programme	Programme of the New Partnership for Africa's Development to boost agricultural productivity in Africa
CAR	Central African Republic	
Carbon credit		Generic term for the claimed carbon benefits arising from project-level activities
CARPE	Central African Regional Program for the Environment	USAID initiative aimed at promoting sustainable natural resource management in the Congo Basin
CASCADe	Carbon Finance for Africa, Silviculture, Conservation and Action against Deforestation	UNEP program to support pilot activities in Africa and the further development of carbon markets in the land-use sectors
CBD	Convention on Biological Diversity	International legal instrument for the protection of biodiversity, signed in 1992
CBFF	Congo Basin Forest Fund	Fund established to complement and support proposals to protect the Congo Basin
CBFP	Congo Basin Forest Partnership	Partnership established with the objective to promote the conservation and sustainable management of the Congo basin's forest ecosystems
CBSP	Congo Basin Strategic Programme	GEF program to support activities that promote the protection of natural ecosystems in the Congo Basin
CCAA	Climate Change Adaptation in Africa	Capacity development program aimed at improving the capacity of African countries to adapt to climate change in ways that benefit the most vulnerable
CCBA	Climate, Community & Biodiversity Alliance	Carbon standard developed specifically to provide quality assurance for forestry projects in the voluntary market
CDM	Clean Development Mechanism	Mechanism introduced by the Kyoto Protocol governing project-level carbon credit transactions between developed and developing countries
CER	Certified Emissions Reduction	Carbon credits from CDM projects

Acronym	Name	Description
CF-SEA	Carbon Finance to Promote Sustainable Energy Services in Africa	UNEP program to support pilot activities in Africa and the further development of carbon markets in the rural energy sectors
CO_2	Carbon Dioxide	Most common greenhouse gas
CO_2e	Carbon Dioxide Equivalent	Standard "currency" which corresponds to one carbon credit
COMESA	The Common Market for Eastern and Southern Africa	Organization charged with facilitating the development of a large economic and trading unit across 19 Eastern and Southern African countries
COMIFAC	The Central African Forest Commission (Commission des Forêts d'Afrique Centrale)	Primary authority for decision-making and coordination of sub-regional actions and initiatives pertaining to the conservation and sustainable management of the Congo Basin forests.
CSR	Corporate Social Responsibility	Commitment by businesses to behave in an ethical manner while contributing to economic development
DFID	Department for International Development	UK government agency that manages aid to poor countries and works to get rid of extreme poverty
DNA	Designated National Authority	Climate change focal point of a member country of the UNFCCC
DNA	Designated National Authority	National body established for the approval of projects under the CDM
DRC	Democratic Republic of Congo	
EAC	East African Community	Regional intergovernmental organization aimed at strengthening and deepening economic, social and cultural ties between 5 East African countries
EB	UNFCCC Executive Board	International authority supervising the registration and related procedures of CDM projects
EU ETS	European Union Emissions Trading System	Trading regime established within the European Union that EUAs can be traded in
FCPF	Forest Carbon Partnership Facility	World Bank managed fund established to help developing countries in their efforts to reduce emissions from deforestation and degradation
FDI	Foreign Direct Investment	Investment of foreign assets into domestic structures, equipment, and organizations.
GEF	Global Environment Facility	Global partnership among 178 countries, international institutions, non-governmental organizations (NGOs), and the private sector to address global environmental issues while supporting national sustainable development initiatives.
GFDRR	Global Facility for Disaster Reduction and Recovery	Organization aiming to improve the ability of low and middle income countries to integrate disaster management into national policies

Acronym	Name	Description
GHG	Greenhouse gas	Principally CO2, which contribute to climate change
GM	Global Mechanism	Subsidiary body of the UNCCD charged with the mobilization and channelling of financial resources into SLM
GTZ	Gesellschaft für Technische Zusammenarbeit	A German international cooperation enterprise for sustainable development with worldwide operations
INC	Initial National Communication	First document required of all Parties to the UNFCCC outlining the steps taken by each country to implement the Convention
IPCC	Intergovernmental Panel for Climate Change	Panel of experts that assesses the scientific, technical and socio-economic information relevant for the understanding of the risk of human-induced climate change
JI	Joint Implementation	Mechanism governing project-level carbon credit activities pre-1995, and also between 2008-2012 between developed countries (these are two distinct mechanisms)
KfW	Kreditanstalt für Wiederaufbau	German government-owned development bank offering support to developing countries to encourage sustainable improvement in economic, social, ecological living and business conditions
LDC	Least Developed Countries	UN categorisation of world's poorest and most economically vulnerable countries
LDCF	Least Developed Countries Fund	Fund established to support a work programme to assist least developed countries carry out, inter alia, the preparation and implementation of NAPAs. Managed by the GEF
NAPA	National Adaptation Programme of Action	Process under the UNFCCC for LDCS to identify priority activities that respond to their urgent and immediate needs to adapt to climate change
NGO	Non-governmental organisation	
REDD	Reducing Emission from Deforestation and Degradation	Project category currently under discussion for inclusion under future climate agreements
SADC	Southern African Development Community	Regional intergovernmental organization aimed at the social, economic and peaceful development of nine South African countries
SCCF	Special Climate Change Fund	Fund established under the UNFCC in 2001 and managed by the GEF to finance projects relating to adaptation
SGP	Small Grants Programme	GEF program that aims to deliver global environmental benefits through community-based approaches

Acronym	Name	Description
SLM	Sustainable Land Management	The use and management of land in a manner that maintains ecological processes and biological diversity
SPA	Strategic Priority for Adaptation	GEF managed fund for adaptation activities in developing countries
tCO_2e	tonnes of carbon dioxide equivalent	Units of carbon calculations, expressed in the equivalent of 1 tonne carbon dioxide
UNCCD	United Nations Convention to Combat Desertification	International agreement to combat desertification, ratified in 1996.
UNDP	United Nations Development Programme	The UNDP is the United Nations' global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life.
UNEP	United Nations Environment Programme	UNEP aims to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.
UNFCCC	UN Framework Convention on Climate Change	International legal instrument on climate change, signed in 1992
USAID	United States Agency for International Development	Government agency providing US economic and humanitarian assistance worldwide
USD	United States Dollar	
VCS	Voluntary Carbon Standard	Carbon standard developed specifically to provide quality assurance for projects in the voluntary market
WCS	Wildlife Conservation Society	USA organization managing national and international conservation projects, research and education programs
WWF	World Wildlife Fund	International NGO aimed at the protection of the environment and wildlife

Annex 3 People interviewed

Name	Position	Organization
Andrew Inglis	Forestry Adviser	DFID
Denis Sonwa	Climate Change Scientist	CIFOR
Frank Sperling	Environmental Specialist Climate Risk Management Africa Region	World Bank & TerrAfrica
Henk Sa	South Africa Country Director	EcoSecurities
Herbert Christ	Coordinator German Facilitation CBFP	GTZ
Jan Kappen	Program Manager Energy & Carbon Finance Unit	UNEP
John Flyn	Director CARPE	USAID – Central Africa
Ken Creighton	Senior Advisor, Forest and Climate Policy	WWF
Linda Krueger	Director Policy Program	WCS
Lorenz Petersen	Head of GTZ Climate Protection Program	GTZ
Nicolas Grondard	REDD coordinator	ONF International
Xaver Kitzinger	Head of Implementation Africa	EcoSecurities

Annex 4 DNA and UNFCCC Focal Point contact information

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Mr. Aderito Manuel Fernandes Santana	Sao Tome & Principe Focal Point	Ministry of Natural Resources and Environment	(239) 22-1975 / 4840 , inmeteo@cstome.net
DNA contact persons			
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M. NsialaTosi Bibanda Mpanu-Mpanu	Directeur de l'Autorité Nationale Désignée du Mécanisme pour un Développement Propre	DRC DNA (Ministère de l'Environnement, Conservation de la Nature et Tourisme)	andrdcongo@gmail.com, (243-99) 994 3308
Sr. Don Gabriel Ngujema Lima	N/A	Equatorial Guinea DNA (Ministerio de Minas, Industria y Energía)	Gabriel_nguema@hotmail.com, Gnguema@gmail.com, (240) 0 935 49

Name	Position	Organization	Contact info
N/A	N/A	Rwanda DNA (Unité Environnement au Ministère des Terres, de l'Environnement, des Forêts, de l'Eau et des Mines (MINITERE))	rema@minitere.gov.rw, (250) 582 628

Annex 5 Review of INCs

Country	Date ratified FCCC	Date of submission	Source of document funding	No. of pages and overall quality	Quality of identified project opportunities
Burundi	6 Jan 1997	23 Nov. 2001	GEF – National Communication Support Programme	145 pgs – **Good.** Includes an extensive and specific list of possible mitigation measures in the energy, agricultural, land-use and forestry, and waste sector. Good assessment of vulnerability to climate change with some general ideas for possible adaptation measures in the energy, landscape and ecosystems, agriculture and health sector	Propose 14 potential mitigation and adaptation projects for financing. Project ideas are not well developed
Cameroon	19 Oct 1994	31 Jan 2005	GEF – National Communication Support Programme	160 pgs – **Good.** General identification of possible mitigation measures and analysis of their possible impact in forestry, waste, agricultural, energy and industrial sectors. Decent assessment of vulnerability of coastal and sudano-sahelien regions to climate change. Mainly discuss current adaptive measures in various regions with no clear adaptation strategy or priority areas	Propose 21 projects for financing, including estimated budget. Project ideas are developed to varying degrees
CAR	10 Mar 1995	1 Dec 2002	GEF – National Communication Support Programme	184 pgs – **Average.** Extensive assessment of vulnerability to climate change. Limited discussion on mitigation options.	Suggest 6 relatively well-developed projects (2 mitigation and 4 adaptation) including estimated budgets.
Chad	7 Jun 1994	29 Oct 2001	GEF – National Communication Support Programme	99 pgs – **Poor.** Only a few, broad possible mitigation measures are identified. A limited number of poorly developed adaptation measures are also identified.	Provides a list of 17 generic mitigation and adaptation measures most of which are focused on improving internal

Country	Date ratified FCCC	Date of submission	Source of document funding	No. of pages and overall quality	Quality of identified project opportunities
					capacity and knowledge for the further development of specific strategies.
Congo	14 Oct 1996	30 Oct 2001	GEF – National Communication Support Programme	74 pgs – **Poor.** Very few mitigation measures are identified, mostly concentrate on the forestry sector. Decent assessment on vulnerability to climate changes although only a few very simple possible adaptation measures are identified.	Do not identify any specific projects, only broad, vague strategies in the forestry sector, industrial and transport sector. Support with capacity building and the establishment of a climate change centre are also proposed.
DRC	9 Jan 1995	21 Nov 2000	unknown	177 pgs – **Poor.** No mitigation measures are identified. Contains a long and detailed section on vulnerability to climate change (over 60 pgs.) including quite a detailed section on possible adaptation strategies.	Present 6 poorly developed project ideas, 3 of which are no more than a title.
Equatorial Guinea	16 Aug 2000	No INC	N/A	N/A	N/A
Gabon	21 Jan 1998	22 Dec 2004	GEF – National Communication Support Programme	144 pgs – **Average.** Presents a superficial analysis for 3 possible mitigation strategies relating to renewable energy use, energy efficiency in buildings and energy efficiency in the industrial and manufacturing industries. Suggests a long list of possible areas to improve communities adaptive capacity to climate change	6 relatively well developed mitigation and adaptation project ideas are proposed, although without estimated budgets
Rwanda	18 Aug 1998	6 Sep 2005	GEF – National Communication	121 pgs – **Average.** Several general mitigation options suggested in energy,	Does not identify specific projects but rather some general strategies

Country	Date ratified FCCC	Date of submission	Source of document funding	No. of pages and overall quality	Quality of identified project opportunities
			Support Programme	industrial, agricultural, land-use and forestry, and waste sectors. Superficial assessment of vulnerability to climate change and possible adaptation measures.	to combat climate change, these principally relate to capacity building and awareness raising
Sao Tome & Principe	29 Sep 1999	1 Dec 2004	GEF – National Communication Support Programme	95 pgs – **Poor.** Possible mitigation strategies are not discussed. Contains a long section on potential impacts and vulnerable sectors. Some broad potential adaptation measures are identified for various sectors	No specific projects are identified

Annex 6 Review of NAPAs

Country	Date of submission	Source of document funding	No. of pages and overall quality	Quality of identified project opportunities
Burundi	1 Jan 2007	Least Developed Country Fund	85 pgs – **Good.** Through a broad stakeholder consultation process, 14 priority areas were identified and then set criteria for the ranking of these options. Chose 12 priority areas and elaborated detailed project plans for each	Project plans include goals, objectives, short term outputs, long term outputs, implementing partners and costs. 8 of 12 identified projects have direct relevance for UNCCD
Cameroon	Not a LDC	N/A	N/A	N/A
CAR	1 May 2008	Least Developed Country Fund	67 pgs – **Good**. A broad stakeholder consultation led to the identification of 6 priority areas and the elaboration of 10 project ideas, some more specific than others	Project plans include goals, objectives, short term outputs, long term outputs, implementing partners and costs. 5 of 10 identified projects have direct relevance for UNCCD
Chad	January 2009 (Not officially submitted to UNFCCC)	Least Developed Country Fund	94 pgs – **Good.** A broad stakeholder consultation led to the identification of 10 specific project ideas	Project plans include goals, objectives, short term outputs, long term outputs, implementing partners and costs. 5 of 10 identified projects have direct relevance for UNCCD
Congo	Not a LDC	N/A	N/A	N/A
DRC	1 Sep 2006	Least Developed Country Fund	96 pgs – **Average.** Adopted a stakeholder consensus approach to identifying adaptation projects. However, the results focus exclusively on the need to promote the distribution of improved seed varieties of corn, rice and manioc. The Annex provides the details of a much larger project, "Projet de conservation et d'Aménagement de la biodiversité du Parc Marin des Mangroves". Also provided in the Annex are details for	3 project ideas are presented to promote the distribution of improved seed varieties. Project ideas are somewhat consistent with UNCCD priorities and include goals, objectives, short term outputs, long term outputs, implementing partners and costs

Country	Date of submission	Source of document funding	No. of pages and overall quality	Quality of identified project opportunities
			the formulation of a plan to improve access to electricity within the country	
Equatorial Guinea	No NAPA	N/A	N/A	N/A
Gabon	Not a LDC	N/A	N/A	N/A
Rwanda	1 Dec 2006	Least Developed Country Fund	85 pgs – **Good**. Through participative consultation, expert opinion and research 40 adaptation options from 6 priority sectors were determined. This was reduced to 20 to account for the need to implement transversal and integrated projects. These were then reduced to 11 after screening against national SD priorities and subjected to multi-criteria analysis. This left 6 priority areas for which 7 detailed project plans were developed.	Project plans include goals, objectives, short term outputs, long term outputs, implementing partners and costs. 3 of 7identified projects have direct relevance for UNCCD
Sao Tome & Principe	1 Dec 2006	Least Developed Country Fund	77 pgs – **Poor.** Stakeholder consultation process was undertaken to identify priority areas. Document less detailed than others in region.	Several poorly developed project ideas in 5 different sectors were identified. Limited opportunities for UNCCD intervention

Annex 7 Review of mitigation and adaptation projects and support initiatives in the Central Africa sub-region

Item	Description	Comments	Project descriptions
Carbon financed mitigation projects			
Clean Development Mechanism (CDM)	Project based mechanism under the Kyoto Protocol for projects in non-Annex 1 countries	No registered CDM projects in the sub-region. Two at validation, one rejected.	**DRC**: 2 at validation 1. Reduction of Gas Flaring by the Compression of Low Pressure Gas for Productive Use at the Libwa, Tshiala and GCO 2. Reforestation project using native species in Maringa-Lopori-Wamba region: establishment of the "Bonobo Peace Forest" **Equatorial Guinea**: 1 rejected 1. Reduction of Flaring and Use of Recovered Gas for Methanol Production
Voluntary carbon market	Individuals, corporations and other organizations without formal emission reduction obligations, have the option to purchase carbon credits voluntarily through these markets and to use them to "offset" their own emissions.	Limited sources of information on projects in this sub-region. Quality of projects is low - do not appear to use any of the respected voluntary carbon standards.	**Cameroon:** 1. CARBONME: Reforestation in Bamenda. Unknown quantity of emission reductions or project size. Uncertain whether standard used. **DRC:**

Item	Description	Comments	Project descriptions
			1. PRIMAKLIMA: 2 reforestation projects in Kikwit and Burhinyi regions totaling 674 ha. No standard used 2. CARBON IMPACTS: Congolese solar power (appears abandoned)
World Bank managed carbon funds and facilities			
World Bank Forest Carbon Partnership Facility (FCPF)	The FCPF will assist developing countries in their efforts to reduce emissions from deforestation and land degradation (REDD). It would have the dual objectives of building capacity for REDD in developing countries, and testing a program of performance-based incentive payments in some pilot countries, on a relatively small scale, in order to set the stage for a much larger system of positive incentives and financing flows in the future. The fund has two stages: 1) Readiness Mechanism 2) Carbon Finance Mechanism. The total fund's size is expected to reach $300 million	Currently 25 countries have been accepted as part of the Readiness Mechanism, this is expected to increase to 30.	1. **Cameroon**: Readiness Project Idea Note (R-PIN) submitted 2. **Congo:** Readiness Project Idea Note (R-PIN) submitted 3. **DRC:** Readiness Project Idea Note (R-PIN) submitted 4. **Gabon:** Readiness Project Idea Note (R-PIN) submitted

Item	Description	Comments	Project descriptions
World Bank Community Development Carbon Fund (CDCF)	The CDCF provides carbon finance to projects in the poorer areas of the developing world. The Fund, a public/private initiative designed in cooperation with the International Emissions Trading Association and the United Nations Framework Convention on Climate Change, became operational in March 2003. The first tranche of the CDCF is capitalized at $128.6 million with nine governments and 16 corporations/organizations participating in it and is closed to further subscriptions. The CDCF supports projects that combine community development attributes with emission reductions to create "development plus carbon" credits, and will significantly improve the lives of the poor and their local environment.	No ERPAs in Central Africa	
World Bank BioCarbon Fund	The World Bank has mobilized a fund to demonstrate projects that sequester or conserve carbon in forest and agro-ecosystems. The Fund, a public/private initiative administered by the World Bank, aims to deliver cost-effective emission reductions, while promoting biodiversity conservation and poverty alleviation. The Fund is composed of two Tranches: Tranche One started operations in May 2004, has a total capital of $53.8 million; Tranche Two was operationalized in March 2007 and has a total capital of$ 38.1 million. Both Tranches are closed to new fund participation.	One ERPA in sub-region in Tranche 2. The call for project proposals for Tranche Two is still open	**DRC:** Ibi Bateke Carbon Sink Plantation
Forestry/REDD funds			

Item	Description	Comments	Project descriptions
Congo Basin Forest Fund	GBP £100 million fund launched in June 2008 to complement existing activities; and to support transformative and innovative proposals which will develop the capacity of the people and institutions of the Congo Basin to enable them to manage their forests; help local communities find livelihoods that are consistent with the conservation of forests; and reduce the rate of deforestation. Funds open to eligible partners from the COMIFAC sub-region, including governments, NGOs, civil society organizations, and other technical partners. Project proposals must conform with one or more of the priority strategic areas of COMIFAC's Convergence plan, including #9. New Funding Mechanisms which includes carbon finance.	A first call for concept notes was issued in June 2008. A total of 188 concept notes were received in response, out of which 94 met the stated criteria. These successful concept notes will now be invited to submit a full proposal. Those who were unsuccessful on this occasion are invited to re-apply during the next call for proposals, which will take place in May 2009. A final decision on which proposals will receive funding will be made in February 2009, after which, grant recipients will work with the CBFF secretariat to finalize project documents.	All 10 countries in the sub-region are eligible to receive funding
World Bank Forest Investment Program	Program to mobilize significantly increased funds to reduce deforestation and forest degradation and to promote sustainable forest management, leading to emission reductions and the protection of carbon reservoirs. To take into account country led priority strategies for the containment of deforestation and degradation and build upon complementarities between existing forest initiatives. Likely to help fill investment gap between "readiness" funding and actual projects able to generate emission reductions.	Goals and objectives still being formulated. Size of fund expected to be about US $1 billion	Unknown which countries will be eligible for funding

Item	Description	Comments	Project descriptions
UN - REDD	A multi-donor $35 million trust fund was established in July 2008 that allows donors to pool resources and provides funding to activities towards this program. The program aims to: 1. Build international and multi-sectoral coherence on key technical and operational issues in relation to REDD; 2. Informing negotiators and other stakeholders on REDD issues ; 3. Build capacity of institutions and stakeholders in pilot developing countries to develop and implement participatory systems for monitoring and evaluation as well as equitable systems of benefit sharing; 4. Build capacity in pilot developing countries to reduce risks and maximize benefits associated with generating verifiable and permanent emissions reductions.	DRC only country currently eligible for UN-REDD fund	

Item	Description	Comments	Project descriptions
GEF Strategic Program for Sustainable Forest Management in the Congo Basin (CBSP)	This program of activities will strengthen the protection and the sustainable management of forest ecosystems in the Congo Basin. The program is consistent with the strategic objectives formulated in the GEF Biodiversity and Climate Change Focal Area Strategies as follows: (1) conservation of key biodiversity areas by strengthening the sub-regional network of protected areas, (2) sustainable management and use of natural resources in the production landscape; and (3) strengthening of the institutional and sustainable financing framework for sustainable ecosystem management. The Program will also contribute to a long-term innovative finance architecture for sustainable forest management in the sub-region by supporting payment schemes for ecosystem services, public-private partnerships and the establishment/strengthening of trust funds.	Concepts and objectives of this program were endorsed by the GEF council on January 9, 2009. Size of funds available for this program is unclear. Extent to which it will support climate change finance initiatives is also unclear.	

Item	Description	Comments	Project descriptions
Norway's International Climate and Forest Initiative	The Norwegian Climate and Forest Initiative will work along two closely inter-related dimensions: • In line with the relevant decisions at Bali, Norwegian funds will contribute to early action in the form of pilot projects, demonstrations and development of national strategies for reduced emissions from deforestation and degradation. In the short term, it is essential to develop national capacity for monitoring, reporting and verification of these emissions. • Experience gathered will feed into the negotiations on climate change and contribute to reduced emissions from deforestation and degradation become part of a new and more comprehensive international agreement on climate change after 2012	Norway has committed 3 billion NOK a year to fund this program.	This initiative has already contributed GBP £50 billion to the CBFF and fully funded the UN-REDD to date with a contribution of USD $35 million.
REDD policy support			
COMIFAC	COMIFAC's mandate is to coordinate the monitoring of activities aimed at implementing the Yaoundé Declaration in the region to promote the sustainable use of the Congo basin forest ecosystems. The Head of States of Central Africa adopted a Plan de Convergence in 2005 that includes a 10 point strategic plan. Point #9 of this plan is to develop financing mechanisms for forest protection, including innovative financing	COMIFAC members agreed to the Bangui Declaration in September, 2008, which calls for a strengthened, expanded and coordinated effort to participate and influence international debate on REDD and its inclusion in a post-2012 agreement.	All 10 Central African countries participate in this process

Item	Description	Comments	Project descriptions
	solutions such as carbon finance.		
The Congo Basin Forest Partnership	The CBFP works in close relationship with the Central African Forests Commission (COMIFAC). The Congo Basin Forest Partnership works as a transmission belt between donors and implementing agencies and provides a forum for dialogue between its partners. It does not play a direct part in program implementation or financing. It does not have a secretariat or permanent staff.	Plays a facilitation role for various stakeholders principally active in supporting COMIFAC, including efforts to promote REDD activities	All COMIFAC countries involved
Agence Française de Développment	US $ 15 million partnership with WWF, CI and WCS to support policy, public dialogue and technical capacity on REDD in Congo Basin.	Specific activities include: 1. Placing climate change specialists within COMIFAC and within COMIFAC member country delegations	All COMIFAC countries eligible
Pilot project and capacity building support			

Item	Description	Comments	Project descriptions
African Carbon Asset Development (ACAD) Facility	The main objective of the ACAD Facility is to promote the development of African carbon markets and capacity gap by bringing promising CDM opportunities forward to final asset realization, while building the capacity of critical financial and related investment intermediaries on the ground. The Facility will support a sizeable number of projects to be transacted in highly replicable project categories. Specifically, the Facility would provide targeted technical and financial support to selected projects (totaling about EUR 40,000 - 50,000 per project). The support may encompass technical, environmental, and financial studies as part of due-diligence cost sharing, as well as covering a portion of high up-front CDM transaction costs such as third-party validation and verification services.	UNEP expects project implementation to start in early 2009. Total funding 2009 through 2011 totals USD 7 million, First stage/pilot phase in 2009 totals USD 1.9 million. Fund management and technical assistance provided by UNEP and UNEP Risoe	Africa-wide facility
UNEP CASCADe	This UNEP Program aims at enhancing expertise to generate carbon credits in land use, land use change and forestry (LULUCF) as well as bioenergy activities in 7 Sub-Saharan African countries. The program will provide a hands-on, learning by doing approach in which local developers are given the opportunity to develop and prepare Project Idea Notes (PINs), Carbon Finance Documents (CFDs), and/or Project Design Documents (PDDs) through direct technical assistance and capacity building to pilot projects. The project follows 3 tracks: Track 1: Capacity Building; Track 2: Project Development; Track 3: Knowledge Management	Three of the seven countries selected are in Central Africa sub-region: Cameroon, DRC and Gabon. Program is entering Track 2 in each country	**Cameroon:** Five initial project ideas identified 1. Reboisement communale à usage multiple en zone des savanes de la province de l'Adamaoua – Meiganga au CAMEROUN 2. Les foyers améliorés pour un développement durable, écologique et humain dans la Province de l'Extrême Nord du Cameroun 3. SNI Anacarde 4. Projet d'installation d'une unité de cogeneration 5. Protection of Cameroon estuary

Item	Description	Comments	Project descriptions
			mangroves through improved smoked houses **DRC:** Three initial project ideas identified 1. Projet de Reboisement et Fertilité de Kimayala et Nkondo (PREF Kimayala et Nkondo) 2. EcoMakala 3. Gazogènes à biomasse pour cogénération et coproduction de 'biochar' **Gabon:** One initial project identified 1. Bambidie wood residual cogeneration project
UNEP DTIE Carbon Finance to Promote Sustainable Energy Services in Africa (CF-SEA)	In each of the target countries, the program worked with a number of project developers to identify, prepare and take to market specific carbon projects, and strengthen the capacity of local carbon experts, co-financiers and governmental authorities to engage in CDM activities. The program began operation in 2005 under two tracks: 1. Capacity development for CDM, 2. Targeted Technical Assistance for Project Preparation. Program now complete. Total funding was only US$ 1 million.	Cameroon was the only country in the Central Africa sub-region to participate as part of this program.	**Cameroon:** A portfolio of 17 projects was initially identified covering three main sectors: waste, hydropower, and biomass. All the projects developed have electricity generation dimension with benefit for local communities as required by the CF-SEA program. The development of projects related to forestation and reforestation and composting was postponed. Ten PINs were completed and submitted to the CDCF for approval and upfront finance for PDD writing. None of these to date have resulted in registered projects.

Item	Description	Comments	Project descriptions
GTZ	GTZ is an international cooperation enterprise for sustainable development with worldwide operations supporting the German Government in achieving its development objectives. As in implementing partner its major clients are the German Ministry for Economic Development and the Ministry for Environment. Its operations are directly linked to the goals of its clients.	Operates across the sub-region at three levels: 1. Capacity development tours in collaboration with Perspectives GmbH, 2. Supporting COMIFAC (GTZ current CBFP facilitators) 3. Pilot projects (see item below). Although it does not manage a specific fund for adaptation, GTZ incorporates adaptation considerations into all of its projects.	GTZ is active in all countries in the sub-region
GTZ, KfW, ESA **REDD Pilot Project** **COMIFAC: Cameroon**	GTZ, KfW and ESA are funding a REDD pilot project in Cameroon whereby the methods and technological developments will be used to support the REDD process in the sub-region.	Overall objectives of the REDD pilot project include: 1. Develop tools to account for national DD emissions 2. Facilitate the sub-regional and international exchange on learning experiences 3. Identify opportunities for national incentive schemes and strengthened forest governance	Main tasks of project include: 1. User Requirement Analysis and relevant institutional arrangements 2. Application of EO for obtaining deforestation/degradation rates and spatial information on deforestation over a historical period 3. Land use change modeling and biomass accounting 4. Capacity building and technology transfer
USAID - Central African Regional Program for the Environment (CARPE)	The strategic objective of CARPE is to reduce the rate of forest degradation and loss of biodiversity in the Congo Basin by increasing local, national, and regional natural resource management capacity.	CARPE is the largest funder of CBFP. Access to climate change financing only an ancillary interest of program.	CARPE's landscape projects in all 10 countries act as potential host sites for "early-action" REDD projects.
NGOs			

Item	Description	Comments	Project descriptions
WWF	WWF's Congo Basin REDD strategy centers around 4 objectives: 1. Build institutional and technical capacity on regional, national and local landscape levels, 2. Strengthen public awareness and understanding at regional, national and local landscape, 3. Support the COMIFAC countries in their engagement with the UNFCCC and related international processes, 4. Support the capacity to identify and develop and the actual development of "early action" projects	Representative activities in the sub-region include: 1. Review and revision of legal and regulatory frameworks; 2. Evaluate "drivers" of forest conversion and degradation; 3. Develop community-focused mechanisms for sharing of benefits and revenues; 4. Develop "early-action" projects; 5. Support COMIFAC and its involvement in international REDD negotiations.	**CAR:** Actively developing an "early action" REDD project in Sangha Tri-national reserve. Possible expansion into Cameroon and Congo in a second phase. Further projects at conceptual stage in sub-region
WCS	WCS's work on REDD in Congo Basin operates under 4 main themes: 1. Capacity building, 2. Measurement and methods, 3. Developing models on ground, 4. Financial mechanisms	At a sub-regional level, WCS is supporting COMIFAC's work plan on REDD. Supports several projects in 4 countries with REDD potential, most require additional funding to be able to develop as "early action" projects. One project actively developing with REDD considerations. Also supports region-wide work on monitoring and informing national and sub-regional strategies, policy initiatives, sub-national projects.	**Cameroon:** Takamanda - Mone Landscape project being developed as a potential REDD project with UNEP funding, in partnership with CIFOR, CIRAD. 7 other projects in sub-region with REDD potential
GEF managed adaptation funds			
Least Developed Countries Fund (LDCF)	LDCF supports the (a) preparation of National Adaptation Programmes of Action (NAPAs) for identifying urgent and immediate adaptation needs in Least Developed Countries; and (b) implementation of NAPAs. So far $172 million mobilized, goal is to reach $500 million in next 4 years		1. NAPAs funded for **CAR, Chad, DRC, Rwanda and Sao Tome & Principe** 2. **DRC**: Building the Capacity of the Agriculture Sector in DR Congo to Plan for and Respond to the Additional Threats Posed by Climate Change on Food Production and Security

Item	Description	Comments	Project descriptions
Strategic Priority on Adaptation (SPA)	SPA aims to increase the resilience and adaptive capacity of those ecosystems and communities vulnerable to the adverse effects of climate change. Projects must focus on reducing vulnerability to climate change impacts as their primary objective.	Rwanda only country receiving SPA funding	**Rwanda:** Part of a regional wide (Kenya, Madagascar, Mozambique, Rwanda, Tanzania) initiative to integrate vulnerability and adaptation to climate change into policy planning
Special Climate Change Fund (SCCF)	The SCCF under the Convention was established in 2001 to finance projects relating to adaptation; technology transfer and capacity building; energy, transport, industry, agriculture, forestry and waste management; and economic diversification. This fund should complement other funding mechanisms for the implementation of the Convention.	No projects in the sub-region to date	
GEF Small Grants Programme	SGP supports activities of non-governmental and community-based organizations in developing countries towards climate change abatement, conservation of biodiversity, protection of international waters, reduction of the impact of persistent organic pollutants and prevention of land degradation while generating sustainable livelihoods and adaptation to climate change	2 projects in Rwanda under the climate change adaptation focal area	**Rwanda:** 1. Construction of 160 water cisterns for the collection of rain water and protection of the environment in MUSIGA 2. Production of solid fuel briquettes from municipal waste
Other adaptation initiatives			

Item	Description	Comments	Project descriptions
CDM Adaptation fund	The Adaptation Fund has been established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change to finance concrete adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol. The Fund will be financed by a 2% levy on CERs issued to large-scale CDM projects and with funds from other sources. Expected to reach between USD 100 – 500 million by 2012	Fund not yet disbursing	
Climate Change Adaptation in Africa (CCAA)	The purpose of the Climate Change Adaptation in Africa (CCAA) research and capacity development program is to significantly improve the capacity of African countries to adapt to climate change in ways that benefit the most vulnerable. Four objectives support this purpose: 1. To strengthen the capacity of African scientists, organizations, decision makers and others to contribute to adaptation to climate change. 2. To support adaptation by rural and urban people, particularly the most vulnerable, through action research. 3. To generate a better shared understanding of the findings of scientists and research institutes on climate variability and change. 4. To inform policy processes with good quality science-based knowledge.	The CCAA is a joint program of the International Development Research Centre (IDRC), Canada, and the Department for International Development (DFID), U.K. The CCAA has established several projects in Cameroon, CAR and DRC	**1. CAR, Cameroon, DRC:** Altering the Climate of Poverty under Climate Change : the Forests of Congo Basin (sub-Saharan Africa) **2. Cameroon:** Pilot project: Advancing Capacity to Support Climate Change Adaptation

Item	Description	Comments	Project descriptions
Global Facility for Disaster Reduction and Recovery (GFDRR)	GFDRR works to foster and strengthen global and regional cooperation among low- and middle-income country governments, UN agencies and other reserach, public and private institutions to leverage country systems and programs in disaster reduction and recovery. It promotes global and regional partnerships to develop new tools, practical approaches and other instruments for disaster reduction and recovery, foster an enabling environment at the country level that can generate greater investment in disaster mitigation practices within a sustainable legal, policy, financial and regulatory framework, facilitate knowledge sharing about reducing disaster risks and sustainable disaster recovery, and create adaptive capacities for limiting the impact of climate change.	Several multi-country projects include countries in the Central Africa sub-region	1. **Burundi, Rwanda:** Multi-country project for climate modeling and risk management. Project includes 8 other African countries 2. **Congo, DRC, Rwanda:** Multi-country project to build capacity in natural disaster risk reduction for bank TTLs in ARD. Project includes 8 other Africa countries 3. **Congo, DRC, Rwanda:** Multi-country project for disaster risk management in Africa - strategic framework, good practice, communication. Project involves 12 other countries