UNDP in Climate Change



Why: Global threat to the Human

Development

Areas: Adaptation

Mitigation

How: "Developing countries capacity to

strengthen policies and practices,

and adopt new ones, so as to

secure MDGs in the face of climate

change and its associated

impacts" (UNDP 2006)

UNDP approach to promote leverage carbon finance for sustainable development

Step 1:

Remove barriers to direct investments in climate-friendly technologies (EFR, GEF, ODA, foundations)

- analysis of key barriers for targeted sectors
- initiation of policy dialogue with regulatory authorities on barrier removal strategies
- development of sector-specific strategies
- implementation of barrier removal activities

Step 2:

Establishment of efficient host-country procedures for CDM & JI review and approval (EFR, ODA)

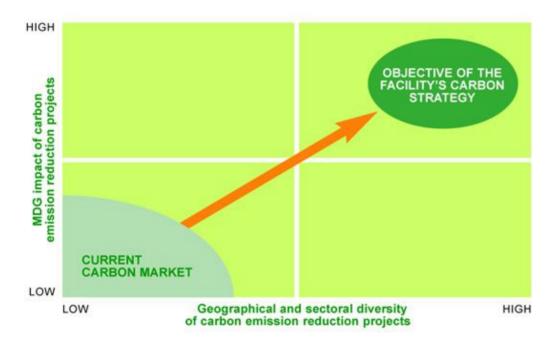
- knowledge management platform on CDM rules for bio-carbon;
- South-South cooperation
- assistance in establishing DNA, CER ownership and approval procedures for biocarbon projects
- training for DNA staff and decision-makers
- public awareness raising workshops

Step 3:

Provision of project management services to individual project developers (carbon finance)

- identify priority sector to maximise the development dividend (biomass, AR and biofuels production, biomethanation, energy efficiency; etc.)
- development of demonstration projects with MDG Carbon
- compilation, analysis and dissemination of lessons learned and experiences





The Facility has the dual purpose of:

- Improving access to carbon finance by enabling a wider range of developing countries and project types to participate — particularly in those countries that are currently underrepresented in the carbon market
- Promoting emission reduction projects that generate additional sustainable development and poverty reduction benefits, thereby contributing to all MDGs



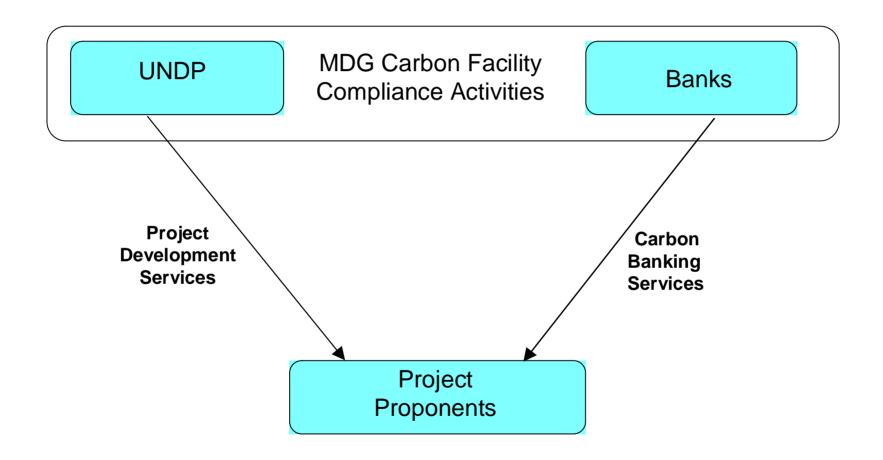
CARBON FINANCE FOR SUSTAINABLE DEVELOPMENT

The MDG Carbon Facility is an innovative means of harnessing the vast resources of the carbon market in order to bring long-term sustainable development to a more diverse share of developing countries. Launched in June 2007, the Facility offers emission reduction projects a comprehensive package of project development services.

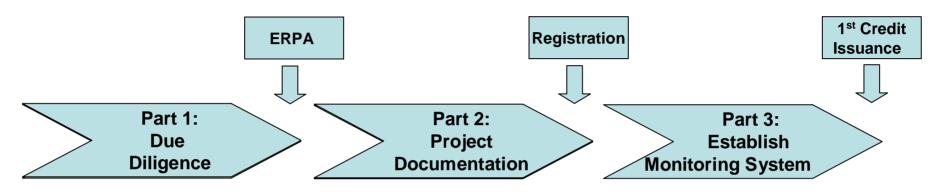
UNDP provides technical assistance, helping project proponents conceive projects that reduce greenhouse gas emissions, and ensuring that these projects meet the Kyoto Protocol's agreed standards while delivering benefits to the environment and broader human development.

The Facility operates within the framework of the Clean Development Mechanism and Joint Implementation, the market-based mechanisms under the Kyoto Protocol that allow developed countries to meet their compliance targets by financing greenhouse gas emission reduction projects located in other countries.

Overview of structure



UNDP – Project Development Services



- Five Tools
 - Carbon Layer
 - Technical Feasibility
 - Finance & Legal
 - MDGs and Environment
 - Country risk
- Two step process
 - Initial screening
 - In depth evaluation

- Preparation of documentation
- Approval by host country and CDM Board
- Review by 3rd party auditors
- Implementation and oversight of monitoring system in project's first year

Why in Ukraine





- Ukraine is the world's most energy intensive country
- Ukraine sixth worlds largest emitters of greenhouse gasses with per capita emissions of CO2 around 4.75 tons of carbon per year
- In Ukrainian heating sector 25 40% losses in transmission and distribution are not uncommon

How





- Since 2002
- Total budget \$11 M (other \$15 M pipeline)
- On national and local levels
- Covering 9 oblasts of Ukraine
- PPP

Achievements





Ratification of the Kyoto Protocol the Parliament of Ukraine on February 04, 2004;

Establishment of JI Secretariat in Ukraine – the first initiative undertaken to develop capacities of the Ukrainian Government to implement the JI mechanism of the Kyoto Protocol.

Operational manual on JI project development and approval process in Ukraine;

First database of potential JI projects in Ukraine;

Analytical Publication entitled "Global climate change: economic-legal mechanisms for Kyoto protocol implementation in Ukraine";