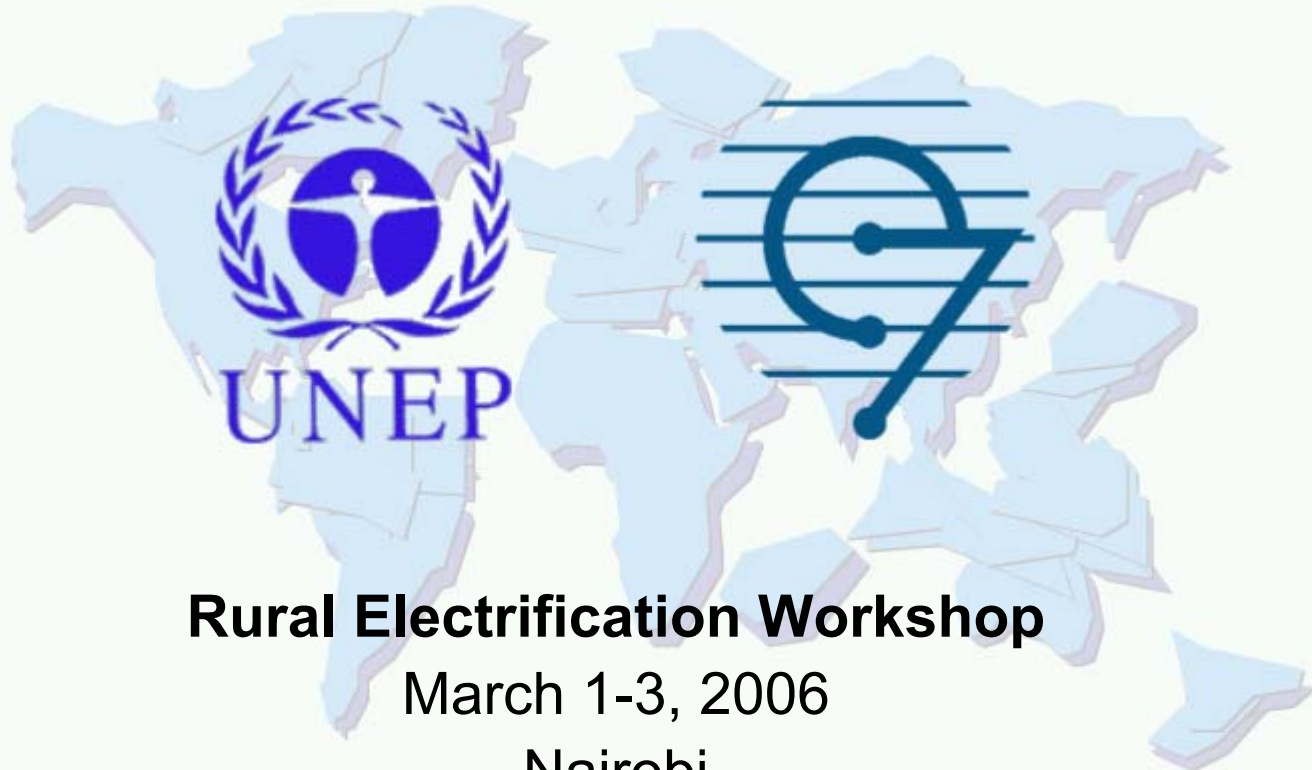


**Session 5**

# **Group 1**

**Sascha Thielmann**



**Rural Electrification Workshop**

March 1-3, 2006

Nairobi

# Session 5 – Group 1



1. Is Carbon Financing a realistic option for supporting rural electrification in Africa?
1. What is the logic behind carbon financing? What are the technologies that have potential in Africa?
2. What is the potential to support rural electrification in Africa?
3. What would be needed to improve CF in Africa?

# Session 5 – Group 1



1. What is the logic behind carbon financing? What are the technologies that have potential in Africa?
  - CDM => project based – to reduce CO2 emissions – Certified Emission Reductions (CER) to be sold – Under Kyoto Protocol – Countries of annex 1 (northern countries) – based line – Executive board which approves the project
  - Credit fund – similar principles but different rules
  - There are easier rules for small scale projects up to 15 MW or 15 000 t/y
  - It's a carbon finance system: to be settled in the feasibility phase (not in construction phase or after)
  - technologies that can benefit from CDM in RE: PV, hydro, wind, biomass

# Session 5 – Group 1



2. What is the potential to support rural electrification in Africa?

- CDM is not a development financing system
- CF should not replace RE financing
- RE should get all the support it can get including CF which can come on top of RE financing (but transaction costs for small projects are too high)

# Session 5 – Group 1



3. What would be needed to improve CF in Africa?
  - Normal CF projects are too expensive
  - Pooling of projects to share transaction costs (small and large) (Exemple : UNDP MDG Carbon Facility)
  - All small scale Renewable Projects in Africa to be considered as a group for CF?
  - Local capacity building needed in the countries (local authorities)
  - Local exemples of best practices
  - Necessicity of simplified methodologies (baselines) recognized by the CDM executive board
  - To promote all projects to the DNA (Designated National Authority) in each country before their international meeting in May in Germany