

Annual Report 2012

Low Emissions Development Planning and Financing



Capacity Building

Climate Change

Technical Assistance

Institutional Development

CDM knowledge sharing

Project methodologies

Carbon Market Development

aSSIST



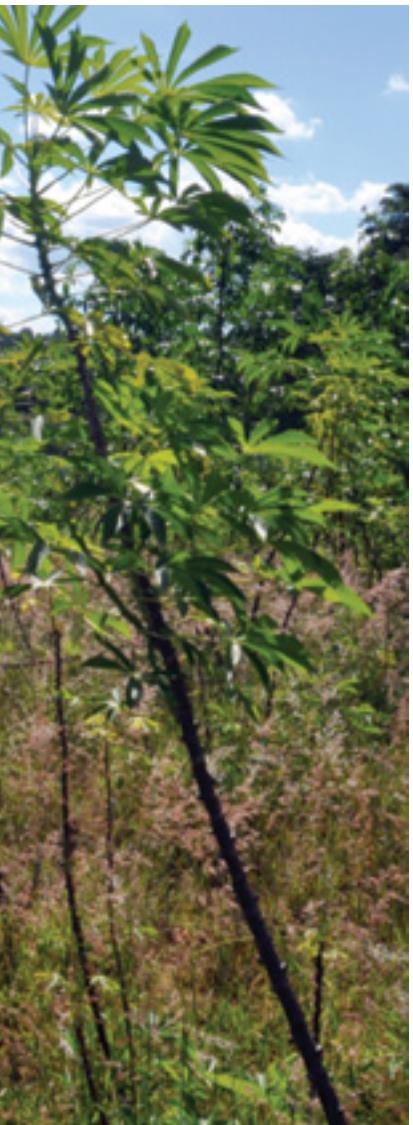


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Messages



Andrew Steer
Special Envoy for Climate Change
World Bank

We live in a "best of times, worst of times" world with regard to the battle against climate change. Durban marked a historic breakthrough as all the countries in the world agreed to be bound by legal obligations by 2020. This was good news, for sure, but the unspoken implication was that there will be no global regulatory regime whatsoever during the current decade, during which action is absolutely crucial. This is bad news: unless we can achieve or come very close to global peaking of GHGs by 2020, there will be very little hope of limiting average temperatures to 2 degrees.

In the period until 2020 at least we must therefore rely on voluntary leadership. A growing number of countries are taking action not because they are obliged to, but because they choose to. Over 90 countries have now registered their plans for 2020 to address GHGs. This includes 53 developing countries and 27 low income countries. The World Bank seeks to support such leadership. Our view is that by helping

countries to demonstrate that success is possible, at scale, at a reasonable cost, and in a manner that benefits all citizens, we will help gradually re-orientate the way the world thinks about development progress, and also make a strong global deal more likely.

Building capacity in countries for this task is crucial. This is where the Carbon Finance-Assist (CF-Assist) program comes in. Initially designed to help countries engage in carbon markets this program has grown in scope and now provides a range of capacity building crucial to the urgent task ahead. These include support development of Low Emissions Development Strategies (LEDS) and Nationally Appropriate Mitigation Actions (NAMAs) both at the national- and sub-national levels. CF-Assist has also sought to spur innovation in methodologies for monitoring, reporting and verification (MRV), in climate-smart agriculture in Kenya, for example.

The team has established itself in the World Bank as key and entrusted provider of knowledge products and capacity building work in alignment with, and complementing the efforts of the Bank's regional units, as well as initiatives such as Partnership for Market Readiness (PMR) or the Energy Sector Management Assistance Program (ESMAP).

This report gives a progress report on this exciting work. We would value your comments and suggestions.



Ede Ijjasz-Vasquez
Director, Sustainable Development for
Latin America and the Caribbean
World Bank

The Latin America and Caribbean (LAC) region essentially has a clean energy matrix in place, and contributes relatively little to climate change compared to other regions. Yet, it is one of the most affected regions in terms of climate change impacts.

Several LAC countries are taking a proactive stance, and demonstrating strong stewardship in becoming part of the global solution required to steer the world towards low emissions development. For example, Brazil has already agreed on some ambitious voluntary targets to reduce emissions by 39% by 2020. Many other Latin American countries are also assuming voluntary commitments and taking steps towards low emissions development—notably Mexico, Colombia, Chile and Costa Rica.

While the important prerequisites of political will and commitment are already in place in several LAC countries, much work remains until instruments, such as LEDS and NAMAs, are firmly embedded in

national planning exercises. Financing these pathways will require shifting existing and tapping new financing and investment flows and opportunities. National processes to determine development priorities and innovate with new ideas emerging in the international climate regime, blending conventional investment and finance with new mechanisms by building on existing ones, has been one feature of work in the region where Carbon Finance-Assist (CF-Assist) has been supportive. A key aspect in this rapidly evolving field is south-south knowledge exchange based on open knowledge and structured learning opportunities.

The CF-Assist team has taken a major leap in the right direction by introducing and spearheading the Mitigation Action Implementation Network (MAIN) in the LAC region. Launched in March 2011 with participating interdisciplinary teams from Argentina, Colombia, Costa Rica, Chile, Panama, Peru and a group of Caribbean countries, MAIN aims to

accelerate mitigation action by providing a continuous platform for national expert teams to understand, reflect and act upon concepts, challenges and opportunities related to LED and climate finance.

We, in the LAC Sustainable Development Department at the World Bank, are partners in this CF-Assist-led initiative, and are impressed by its comprehensive capacity-building approach. We know that while we (i.e., the global community) do not have much time to set up sustainable solutions in order to adequately address the daunting climate change adaptation and mitigation challenges at hand, capacity building typically takes a significant amount of time until results can be achieved.

Finding ways to scale up, effectively share best practices and learn from mistakes already made elsewhere can buy us important time—MAIN clearly represents one such way by facilitating knowledge exchange and dialogue among national climate change action champions from a network of countries, allowing them to eventually identify and implement appropriate, holistic development solutions in their respective constituencies.

Another example of CF-Assist's support for the region has enabled an important client to spearhead the Rio de Janeiro Low Carbon City Development Program—a comprehensive, cross-sectoral climate

change mitigation program at the sub-national level. In Rio de Janeiro, the team provided key support to work in the region, where an ISO-certified accounting system for climate change mitigation actions, across all urban sectors, is being established. This not only fosters the city's very own low carbon development strategy and actions, but actually creates a replicable business model for city-level low carbon development that can be applied elsewhere around the world, with Rio being the first successful pilot.

The seeds for eventual implementation of climate-friendly policies have, hence, been planted, and with the ongoing capacity-building work and availability of adequate financing, we can be hopeful that the LAC countries will eventually be able to implement them on ground, doing their share in our joint effort to achieve the global emissions reduction target.

Messages



Neeraj Prasad
Manager, Climate Change Practice
World Bank Institute

This much is clear from Durban: COP-17 delivered the Durban Program for Enhanced Action, which indicates broad agreement on a new legal instrument (or on an "agreed outcome with legal force"), a roadmap towards a truly global deal, which will require all countries to accept carbon mitigation targets by 2020, with negotiations on the agreement to be completed by 2015. Importantly for us, this allows parties to move forward with a package of agreements comprised of a number of interdependent elements, including a new commitment period under the Kyoto Protocol and the launch of the Green Climate Fund.

Achieving this outcome in Durban was not easy and the results may not immediately be obvious, but the overall result is very positive for the long-term prospects for a deal, and delivered all that could reasonably be hoped for.

These developments have provided us at the World Bank Institute Climate Change

(WBICC) Practice a mandate for continued capacity-building work implemented through knowledge exchanges, implementation support on the ground, scanning for and incubating innovations on how to address climate challenges, and development and delivery of e-learning courses available through WBI's e-Institute (<http://einstitute.worldbank.org/ei/>).

Over the last two years, the scope and breadth of our portfolio has grown beyond traditional carbon finance mechanisms, such as the Clean Development Mechanism (CDM). Looking ahead, the focus and scope of this capacity work will cover a range of areas: evolving instruments for scaled-up climate change mitigation action at national and sub-national levels—i.e., Low Emissions Development strategies (LEDS) and Nationally Appropriate Mitigation Actions or (NAMAs)—work on defining and supporting new market mechanisms, capacity-building support and sustainable energy challenges.

The World Bank's Carbon Finance-Assist (CF-Assist) program, hosted by WBI, is well-positioned to take on these tasks. The shift in strategic directions for our work, endorsed by our donors in 2009, allowed us to anticipate new developments in the international climate change arena and we now cover all of the areas mentioned above. This has enabled us to build a capacity-support system over the last two years, which is well-aligned with strategic priorities of external and internal partners. Over the past twelve months, we have taken a number of important steps.

- Through the WBI e-Institute, CF-Assist has delivered eight facilitated e-courses on the following topics: CDM/JI; CDM PoA; Cities and Climate Change; and Low Carbon Development. In total, about 200 stakeholders from around the globe have taken these facilitated courses since July 2011. As a result, participants have been able to draft and refine carbon projects, PoA programmes and LCD plans. As of today, more than

30 CDM projects and PoAs along with 14 LCD draft plans have been supported through the facilitation of our related e-courses. The most successful alumni have been integrated into the course deliveries as "second generation" co-facilitators. Overall, more than 750 individuals have taken CF-Assist e-courses in either facilitated or self-paced formats since the first course was launched in 2010.

- Once again, we co-organized the Carbon Expo in Barcelona, Spain. With approximately 2,600 people attending, participation levels exceeded expectations and ensured that, even in times of uncertainty with regard to the continuation and scope of carbon markets, demand for this flagship event remains high. Likewise, our regional fora—organized in collaboration with partners in Africa, Latin America and South Asia/India—were well attended, demonstrating their value as important knowledge sharing and practitioner

exchange events to a diverse mix of stakeholders, even as new concepts and ideas are evolving.

- We launched the Mitigation Action Implementation Network (MAIN)-Asia chapter in October 2011 in Thailand, bringing together interdisciplinary teams from China, Indonesia, Malaysia, Pakistan, the Philippines, Thailand and Vietnam, as well as experts from Denmark and India. We are in the process of establishing these networks in every region, and a system of virtual platforms and face-to-face events to augment LEDS and NAMAs drafting work has been set up. This provides an opportunity for national teams to better understand emerging concepts and to improve current ideas through peer-to-peer exchanges. Enhanced network designs and related partnerships (exploring opportunities with UNEP, UNDP, the LEDS Global Partnership and other stakeholders) are evolving and will be a key focus over the months to come.

- We also supported technical assistance work on the ground. Examples include ongoing work with the cities participating in our Carbon Finance Capacity Building (CFCB) program, i.e., Dar es Salaam, Jakarta, Quezon City and São Paulo, as well as support to a Climate-Smart Agriculture (CSA) project in Kenya, and a city-based emissions management program in Rio de Janeiro that will launch in June 2012. Supporting work at the sub-national level provides interesting insights into the opportunities and challenges of mitigating climate change, and drawing on climate finance in cities. The scope of instruments is increasingly expanding, from focusing on projects and programs in the CFCB work to broader multi-layered action and a more comprehensive approach in Rio de Janeiro. The latter has demonstrated to be a promising model for replication and scaling at various city sizes.

Let me take this opportunity and thank our donors (Australia, Denmark, Spain and Switzerland) for their continuing support to CF-Assist, which allows us to address the continuing demand for capacity building, and to deliver our program in alignment with agreed objectives.



2011-12 At-a-Glance

Carbon Expo 2011/2012	World's largest annual climate finance and carbon market platform
Regional Carbon Forums	Held in Africa, Latin America, South Asia, and East Asia and the Pacific
Global Dialogue Series on “The Road to Durban”	Five virtual knowledge exchange events co-hosted by the Government of South Africa, with worldwide participation across the world, held on key topics relevant in the context of COP-17
Structured Learning	Delivery of e-learning courses on: CDM/JI; CDM PoA; Low Carbon Development; and Cities and Climate Change
MAIN Initiative	Network on LEDs and NAMAs with national expert teams (operationalized in LAC and launched in EAP/SAR)
Carbon Finance Capacity Building (CFCB) Program in Emerging Megacities	Work in Dar es Salaam, Jakarta, Quezon City and São Paulo towards identification and implementation of projects on the ground (first phase completed)
Other Examples of Technical Assistance / Project Support	Supported among others: <ul style="list-style-type: none">• Rio Low Carbon City Development Program• Mexico Housing Program• NAMA in Jordan• Climate-Smart Agriculture in Kenya• Started work in Colombo, Sri Lanka

State of Carbon and Climate Finance



1. State of Carbon and Climate Finance

During the last year, some positive climate policy signals for carbon markets emerged from the Durban Platform agreed on at COP-17; however, it remains uncertain whether adequate and timely opportunities will exist to develop climate finance opportunities in a manner and at a scale that will allow effective action to address climate change.

We have already seen the impacts of climate change: higher temperatures, changes in rain patterns, rising sea levels and more frequent weather-related disasters, which are a reality and pose difficult challenges, particularly for the poor in developing countries. Since these impacts also have huge secondary effects, e.g., those related to food and water security, and require action on integrating climate-friendly policies into development, we can clearly state that we are facing a global development challenge.

Seven years after the Kyoto Protocol's entry into force, which allowed an unprecedented experiment in carbon markets to take off, it is becoming clear in 2012 that confidence in carbon finance as a solution to address climate financing has faltered, perhaps because it was often seen as the only solution. We have ample evidence stating that

traditional carbon finance (i.e., CDM) would likely not generate the necessary level of reductions, even factoring in evolving mechanisms, such as the Programme of Activities (PoA) and the voluntary carbon market. Carbon finance alone will probably not suffice in achieving the climate change action target of a maximum temperature rise of two degrees Celsius by 2100.

This is why additional and complimentary instruments are being explored, and with agreement to establish the Green Climate Fund (GCF), as well as the manifestation of scaled-up planning concepts, such as low emissions development strategies (LEDS) and nationally appropriate mitigation actions (NAMAs), we at WBI now have a new and revived mandate. Climate finance, i.e., catalytic use of public and private sources to leverage the financing of climate change mitigation (and adaptation) action, may indeed close the existing gap and support—blended with carbon finance and regular finance—a holistic, global effort to tackle climate change.

The international community increasingly recognizes that we need to integrate climate change mitigation and adaptation into existing planning and implementation systems and processes.

I applaud you for what you have been able to accomplish here in Durban. You were prepared to show the required political will to move this process forward. It is without any doubt in my mind that we have worked together to save tomorrow, today!

MAITE NKOANA-MASHAWANE,
Minister of International Relations and Cooperation, South Africa,
and COP-17 President upon the conclusion of COP-17 in Durban

This often requires bringing in additional stakeholders, which may require targeted knowledge and capacity products. Yet, many unresolved questions still need to be addressed against a tight timeline before low-emissions and climate-resilient strategies towards a greener future are firmly embedded into government planning exercises in both developed and developing countries, and appropriate steps can be taken.

1.1. The Role of Capacity Building

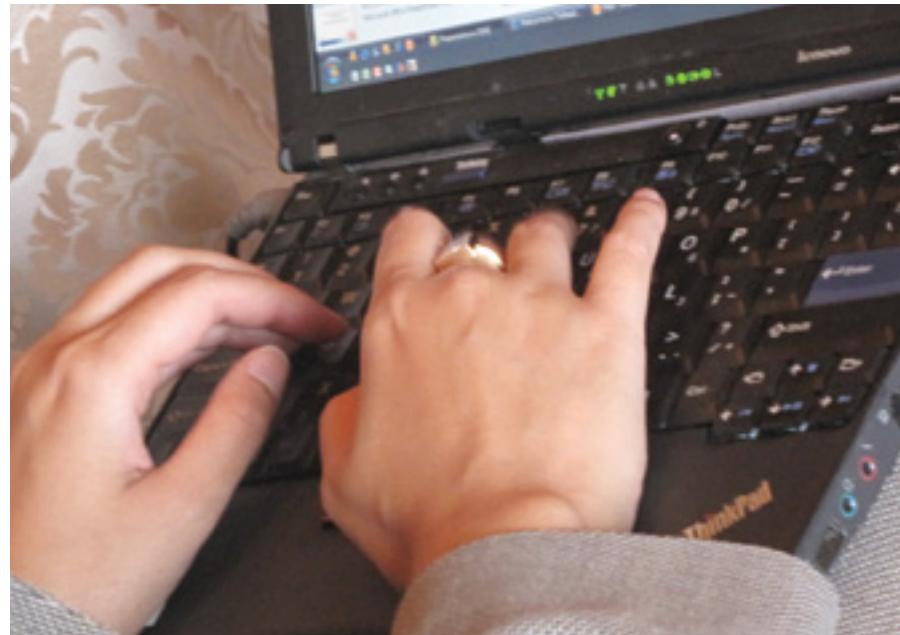
To allow climate change mitigation efforts to have the required impact using current and upcoming instruments, significant capacity and skills building will be required. Some of these instruments emerged from the COP-

17 mandate for related work. One of the key business lines of our capacity-building work is knowledge sharing and practitioner exchange (please see below for more related information) through structured learning, south-south collaborations for seeking common solutions to policy challenges, and scanning for and scaling up innovations that can work at the global level. The relevance of this approach was underlined during a webinar "Climate Change Signals from Durban" in January 2012, where out of 96 participants surveyed, more than 80% voted for "knowledge of regulations and processes" above "financial resources" as the resource most lacking for individual actors to be significant players in the climate change agenda.

1. State of Carbon and Climate Finance

I am convinced that all our actions towards a sustainable world have the historical potential to feature in speeches 3000 years from now. But only if the action-policy-action cycle becomes ever more mutually promoting and ever more supportive of an energy revolution that powers the world's move into a sustainable future.

CHRISTIANA FIGUERES,
UNFCCC Executive Secretary, January 19th, 2012,
at the World Future Energy Summit in Abu Dhabi



With new instruments becoming increasingly available to address the climate change mitigation challenge, additional skills of more stakeholders are necessary, reinforced by the fact that more holistic approaches require more wide-ranging skills. While the Clean Development Mechanism (CDM) and Joint Implementation (JI) require "only" knowledge of related processes (e.g., project cycle) and experience in a particular sector, developing, for example, a LED strategy encompasses a much broader skills and stakeholder set. Obviously, the number of actors involved and overall skills and coordination needed also increase with the complexity and scope of a chosen instrument.

Developing and delivering timely knowledge products, creating and maintaining fora for continuous stakeholder interaction, and frameworks that offer collaborative settings for drafting and implementation of projects and plans becomes a key skill in this, as well. In the CF-Assist team, we are well equipped to offer these services to our clients.

Carbon Finance-Assist



2. Carbon Finance-Assist

CF-Assist, a multi-donor trust fund set up as a capacity-building and technical assistance program to complement the World Bank's carbon funds, was launched in mid-2005 and transferred from the Bank's Environment Department to WBI in 2006.

In addition to direct contributions from donors, CF-Assist has also been administering the Prototype Carbon Fund (PCF) plus program.

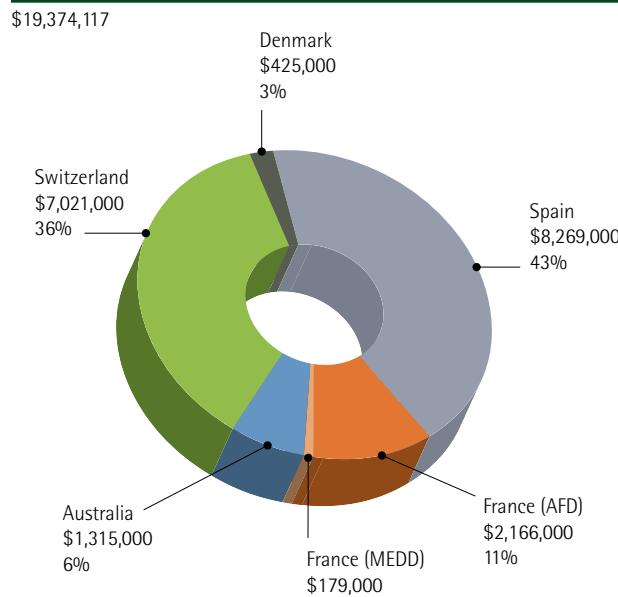
CF-Assist works in various developing countries and sub-national areas to:

- build human and technical capacity;
- support the establishment of the necessary institutional and legal infrastructure;
- help create and manage carbon assets in specific mitigation sectors;
- understand the complexities of engagement at national and sub-national (i.e., city) levels;
- help reduce costs of participating in the carbon market and accessing climate finance; and
- foster drafting and implementation of scaled-up climate change mitigation efforts and LEDS.

Initially, CF-Assist focused on helping developing countries and economies in transition to effectively participate in the carbon market and benefit from the flexible mechanisms under the Kyoto Protocol, specifically the CDM and JI.

Since 2009, CF-Assist has been expanding this original scope and has set strategic priorities, influenced by various developments, including the ongoing negotiations for a new international climate regime beyond 2012, and the World Bank's Strategic Framework on Development and Climate Change. It has aligned its activities closely with other World Bank initiatives, and entered into partnerships with the World Bank's Environment Department (Carbon Finance Unit or CFU), the Forest Carbon Partnership Facility (FCPF) housed in the CFU, the Energy Sector Management Assistance Program (ESMAP), and various other anchor units and knowledge programs from inside the World Bank. The program has also formed strategic partnerships and is collaboratively working with various Bank external partners, e.g., the United Nations Framework Convention on Climate Change (UNFCCC), UNEP Risoe, UNCC: Learn, UNITAR, Inter-American Development Bank (IADB), KfW, INCAE Business School and Tec de Monterrey.

Donor Contributions (in USD \$)



Funds received as of May 15, 2012: \$17,960,381

Responding to the political, economic and technological challenges ahead, CF-Assist, in 2009, crafted a "Strategic Work Program 2010-2013," which emphasizes three major priorities.



Low Emissions Development:

Integrating carbon finance as part of climate finance to promote low carbon development involves: building skills to use analytical tools; fostering peer-to-peer exchanges of knowledge on strategic LED assessments; identifying sector-specific mitigation activities; and accessing new sources of climate financing.



Cities and Climate Change:

Expanding the use of carbon finance in urban areas, including fostering development of programmatic carbon finance programs, supporting the preparation of low carbon development strategies for cities, and helping establish institutional frameworks for implementing low carbon strategies.



Carbon Market Instruments:

Scaling up carbon finance through programmatic approaches and providing information on the evolving global regulatory framework and emerging market instruments.

We have been implementing the program in alignment with these three priorities, as well as with WBI's business lines, which are described below.

2.1. Conceptual and Operational Approach

As mentioned above, CF-Assist works with various internal and external partners in executing its activities and the overall management rests with WBI's Climate Change (WBICC) Practice. Program implementation is undertaken in collaboration with the World Bank's six operational regions, i.e., Africa (AFR); Middle East and North Africa (MNA); Europe and Central Asia (ECA); East Asia and the Pacific (EAP); South Asia (SAR); and Latin America and the Caribbean (LAC). While the WBI anchor team is increasingly undertaking regional and global activities, it is still strategically focused on country and city training programs in cases where stakeholders have demonstrated the necessary level of capacity and demand to move toward implementation on the ground, and where such interventions generate generic tools and knowledge that can be shared across regions, global platforms and partnerships.

2. Carbon Finance-Assist

With the aforementioned new program priorities put in place as part of the 2010-13 strategic work program (i.e., LED; Cities and Climate Change; Carbon Market Instruments), CF-Assist has also adopted a new conceptual and operational framework that is firmly aligned along the following WBI business lines:

- 1) Structured Learning
- 2) Practitioner/Knowledge Exchange
- 3) Collaborative Leadership and Coalition Building/Implementation

These business lines follow a logical sequence that eventually leads to supporting climate action on the ground. While the first two aim to connect stakeholders globally and regionally, provide knowledge and interlink in networks, the third focuses, on one hand, enabling local implementation partners to conduct change processes towards LED, as well as on implementing projects in the field, and, on the other hand, supporting cross country collaboration

and coalition building around new concepts and approaches emanating from international negotiations. Scanning and scaling innovations, originally conceptualized as the fourth business line, has been mainstreamed into our work by incorporating it within the other three business lines, since innovation is an integral part of all our activities and the climate change action field per se which requires actors to be trailblazers constantly observing new developments and scanning for scalable approaches and solutions.

The overarching goals of our work are to: accelerate market development through learning and knowledge sharing by development practitioners, increasingly drawing on virtual means; help increase capacity in developing countries to undertake strategic assessments on low carbon development; develop policies and measures for appropriate emission reduction plans; and access innovative financing for climate mitigation action.



CF-Assist

- Designed to be largely a demand-driven program responding to clients' needs, and the latest developments in the climate change action arena.
- Differentiates between short- and long-term capacity needs. Implementation is designed to increase the depth of programs through interrelated business lines.
- Emphasizes the participation of countries and cities in the carbon market through project or program identification. Identified projects/programs are offered to the carbon market with the World Bank's carbon business as the buyer only as a last resort.
- Aims to assist countries in drafting and implementing LED plans by providing adequate platforms for learning, knowledge exchange and collaboration, and enabling links to financing.
- Pursues strategic partnerships with both public and private global, regional, national and local organizations to leverage expertise and resources.

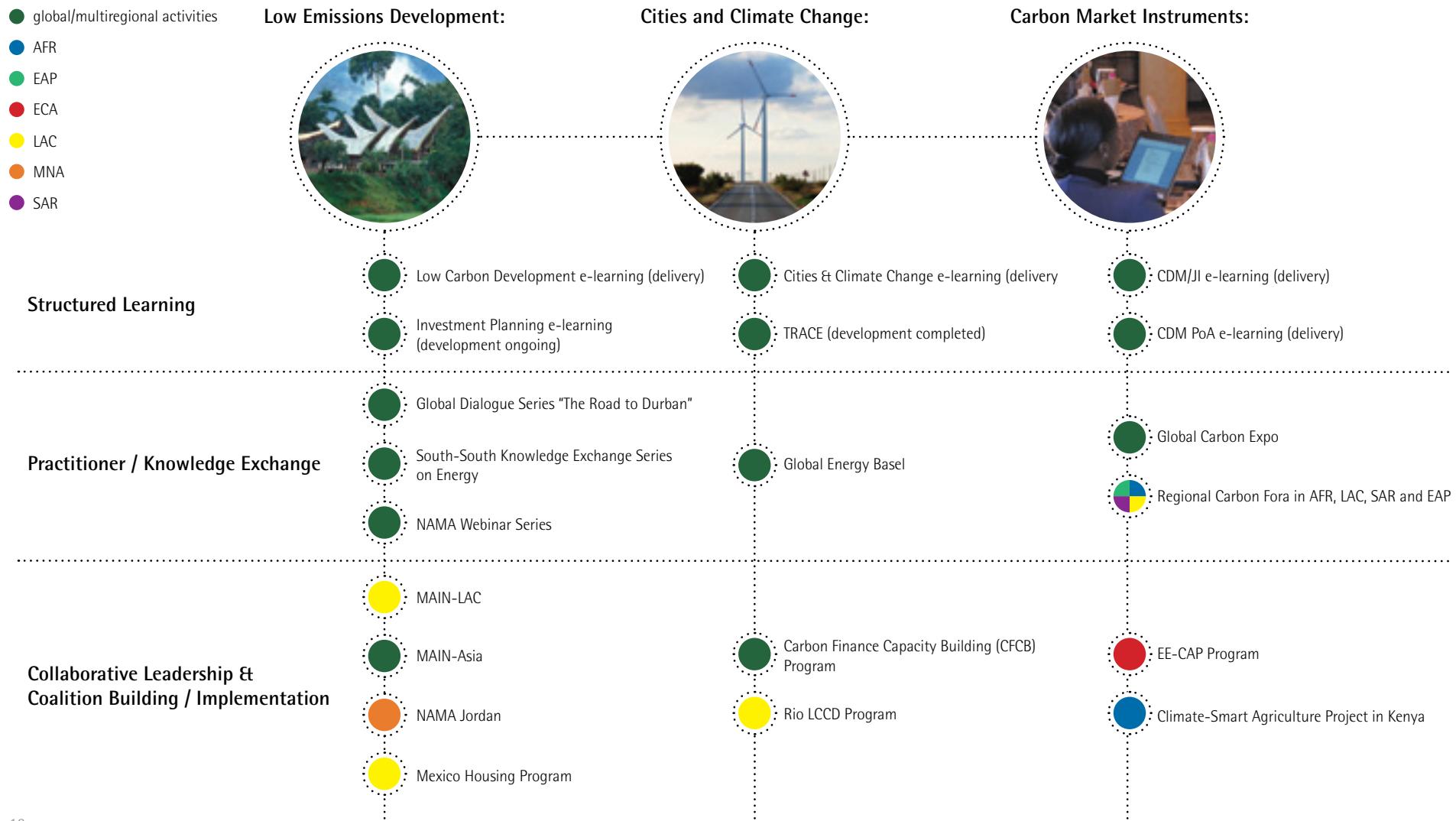
Work Program Activities 2011-12



3. Work Program Activities 2011-12

3.1. Overview of Work Program Activities 2011-12

The following table offers an illustrative, select overview of our initiatives, organized by work program areas, business lines and regions.



Following the logic of our interdependent business lines, programs/activities listed under the "Collaborative Leadership and Coalition Building / Implementation" business line typically also include interventions at the structured learning and knowledge exchange levels (e.g., participants in MAIN have taken the LCD course and participated in knowledge exchange events). Also, the table above only provides an illustrative overview of selected program activities over the last twelve months. In the appendix section of this Annual Report, we offer a comprehensive list of deliverables, including information on delivery date and number of participants. This list is also illustrated in a world map towards the end of this section, which highlights all countries where CF-Assist program activities/deliverables have taken place in the past twelve months.

In the following three sub-sections, organized per business lines, we will discuss program activities in more detail.

3.2. Structured Learning

CF-Assist has continued to be highly active in producing and delivering e-learning courses. The table (on page 18) below provides an oversight of the current and planned portfolio of WBICC e-courses; CF-Assist funded/co-funded courses are highlighted in green.

As of May 2012, six courses funded by CF-Assist were available through the WBI e-Institute platform. These can be taken either in a self-paced format (i.e., allowing students to access course independently at their convenient time) or facilitated format (i.e., where learning is guided through an instructor). The latter facilitated deliveries are typically offered twice a year through WBI's new e-Institute. In total, more than 750 people have taken CF-Assist e-courses over the last two years.

Besides acquiring the knowledge per se as a result of facilitated deliveries, students have been able to draft or refine CDM projects and PoAs, and LCD plans. As of today, more than 30 CDM projects and PoAs have been supported through the facilitation of our related e-courses, as well as 14 LCD draft plans.

"In my experience, working with EFFECT has been tremendously empowering as I believe it empowers modelers and analysts to add insight to the low carbon development process. The design of EFFECT is such that it is very easy to adapt and modify to meet the requirements of different countries or regions. My overall experience of using EFFECT has been extremely positive, productive and useful and I would certainly recommend it to other low carbon development modelers."

S. S., participant in ESMAP-led delivery of LCD course in Nigeria
(The Low Carbon Development course discusses how to use the EFFECT model to develop reference and scenarios out to 2030 and beyond.)



3. Work Program Activities 2011-12

WBI Climate Change e-Learning Courses as Part of the WBI e-Institute at a Glance



Essentials of Climate Change

Fundamentals of Climate Change (available for internal audiences; expected to be available for external audiences by end of 2012)

Economics of Climate Change (available for internal audiences; expected to be available for external audiences by end of 2012)

Social Dimensions of Climate Change (available for internal audiences; expected to be available for external audiences by end of 2012)

Cities and Climate Change Leadership



Low Carbon Development

Low Carbon Development: Planning and Modelling

Investment Planning (expected to be available by end of 2012)

Climate Finance (expected to be available by June 2013)

CDM/JI: Navigating the Kyoto Project-Based Mechanisms

CDM PoA: Challenges and Opportunities



Energy

Saving Energy through Energy Savings Performance Contracts

Energy Efficiency in Public Buildings (expected to be available by end of 2012)

Tapping the Carbon Market for Energy Efficiency Projects in Public Buildings (expected to be available by end of 2012)

TRACE: Tool for Rapid Assessment of City Energy

Energy Sector Strategies to Support Green Growth (expected to be available by September 2012)



Climate-Smart Agriculture in Landscape Management

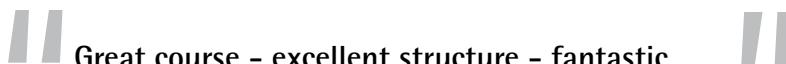
Water Footprint – Concept and Application

Managing Irrigation Water with Public-Private Partnerships

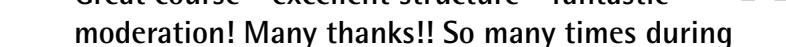
Developing and Monitoring Agriculture Carbon Projects (expected to be available by end of 2012)

Climate-Smart Agriculture through Sustainable Land-Water Management (expected to be available by end of 2012)

Monitoring Forest Carbon in CDM Afforestation/Reforestation Projects (expected to be available by end of 2012)



Great course - excellent structure - fantastic moderation! Many thanks!! So many times during this course I have thought ... my colleagues A, B, C, D....REALLY should also take this course!



N. S., participant in CDM PoA e-course,
facilitated delivery in Spring 2012

Hence, we have been able to interlink our business lines in practice and demonstrate the practicality of using e-courses as part of broader capacity-building efforts. This interlinking of business lines is being facilitated through ongoing virtual dialogue among alumni of e-courses where they can exchange concepts with their peers and CF-Assist facilitators.

This ongoing interaction has also led to the gradual integration of alumni into the delivery of e-courses, or so-called "second generation" facilitators, who were identified as top graduates of their respective classes and have been brought on board to co-facilitate e-courses, along with CF-Assist lead facilitators. Eventually, these co-facilitators will be commissioned to serve as lead facilitators themselves and encouraged to offer the courses. A narrative on one of our "second generation" facilitators,

Olga Diukanova, is included in the chapter on impact stories.

Besides offering the courses centrally through the WBI e-Institute, we are also planning deliveries through regional implementation partners to further increase outreach. The first such delivery is planned for June in collaboration with the Tec de Monterrey, which has translated our CDM/JI course into Spanish, and expects first delivery in June 2012 in Latin America. We recently completed translation of the PoA course into Spanish, and Tec de Monterrey plans to launch it later this year.

In addition to Spanish, translations of the CDM/JI and PoA courses into French have been completed, and options for translations into Chinese are being explored, for eventual delivery through respective regional implementation partners.



In terms of topics, we still see high demand for our carbon finance/Kyoto mechanisms e-courses; both our CDM/JI and PoA courses were fully booked for both respective facilitated deliveries in this fiscal year.

At the same time, we have advanced building and adapting our portfolio in response to developments in the international climate change action arena, and will shortly add more related products in addition to the already existing LCD course. In collaboration with the Climate Investment Funds (CIF) team at the World Bank, we have begun to develop the content of a course on Investment Planning; production is currently ongoing, with content development of two (of five) modules

completed. We expect the course to be available by the end of 2012. In parallel, we have begun planning for a course on Climate Finance where we are seeking collaboration with the Bank's environment anchor team, the International Finance Corporation (IFC) and the United Nations Development Programme (UNDP).

We are, hence, building a portfolio of e-courses that adequately supports, and is an integral part of, our overall capacity-building work. Thus, as we will see below, following the logic of using interdependent business lines toward achieving our capacity-building objectives, e-courses are being integrated into broader initiatives as and when applicable.

3. Work Program Activities 2011-12

The advantage of having e-courses at our disposal is so that we can also use them in face-to-face structured learning incentives. For example, we have integrated modules from our PoA course into face-to-face presentations. Two such occasions last year were regional workshops organized by UNEP Risoe and the Caribbean Community Climate Change Centre (CCCCC or 5C) for stakeholders from the Caribbean region, which took place in Antigua, and Trinidad and Tobago, respectively.

Regional Collaborations

In the Caribbean Region, we leveraged World Bank resources to co-deliver a weeklong training program in Barbados on climate change essentials, strategies and financing to the management team and staff members of the Caribbean Development Bank (CDB). The training brought together key aspects of climate change fundamentals, climate finance and the World Bank experience in mainstreaming climate change into its operations and tools for climate action planning. This has the potential of "greening" the entire infrastructure portfolio of the CDB.

Following a request from the Organization of Eastern Caribbean States (OECS), we also supported the design, organization and delivery of a



regional workshop on climate finance for development in Saint Lucia. Targeting policy leaders and energy sector planners, we have enabled examining and discussing climate finance solutions for adaptation and sustainable energy, among others.

Complementing the work of the Forest Carbon Partnership Facility (FCPF) by providing clearly identified, conceptual support in designing and delivering select training workshops on REDD+ and Payments for Environmental Services (PES), we co-delivered: a regional, south-south cooperation workshop on lessons learned from PES in Costa Rica; a workshop for regional REDD programs in

Panama, where we made a presentation on synergies between REDD+ and national development; and a regional workshop in Panama on the economics of REDD+.

In addition to the production and delivery of e-learning courses and products, and face-to-face training workshops, CF-Assist has, over the years, contributed to and supported the publication of several additional knowledge products, such as studies and analytical reports. For example, one product is the annual *State and Trends of the Carbon Market* report, which provides the latest market information, as well as trends of various carbon

products. Furthermore, in 2012, we contributed by providing conceptual and editorial support to the FCPF-led publication "Lessons Learned for REDD+ from PES and Conservation Incentive Programs—Examples from Costa Rica, Mexico and Ecuador," which was also translated into Spanish.

3.3. Practitioner/ Knowledge Exchange

In this realm of work, CF-Assist captures the latest developments in LED, and carbon and climate finance, and offers them through appropriate formats of knowledge exchange. We capture knowledge from various sources, including the UNFCCC negotiations, World Bank operations and experiences shared through practitioner networks.

Several of our flagship activities, e.g., the Carbon Expo and regional carbon fora, fall under this business line. As described below, in this category, we aim to raise awareness among stakeholders and create fora on relevant topics for knowledge and practitioner exchange, as well as provide an opportunity for policy makers to coalesce around new concepts and ideas in dedicated sessions around these events. Through these activities, we are able to create a pool of clients from various regions, countries

and cities, and across sectors, covering a wide range of stakeholders who we are encouraging to engage in an ongoing dialogue. Such dialogue is meant to be sustainable and expected to create a permanent discussion platform as part of our third business line - Collaborative Leadership and Coalition Building / Implementation.

Carbon Expo

The eighth Carbon Expo—co-organized by CF-Assist, together with the International Emissions Trading Association (IETA) and Fira Barcelona – was held from June 1-3, 2011, in Barcelona, Spain. More than 2,600

visitors attended the conference and fair, with more than 200 exhibitors from over 100 countries showcasing the latest products, services and investment opportunities. Exhibitors included financial firms, clean technology companies, carbon credit traders, service providers, project developers, international organizations and government representatives.

This Carbon Expo was organized during a period when the long-term prospects of the carbon market remain uncertain, while at the same time the need to scale up climate change mitigation is evident. Carbon finance can play a catalyzing role in leveraging development and climate



Excerpt from an interview with Neeraj Prasad, WBICC Manager, on the Carbon Expo 2011

What is the relevance of the Carbon Expo for climate finance?

Since its inception in 2004, the Carbon Expo has become the annual global watershed event for carbon market participants. Whether they are involved with the European Emissions Trading Scheme or with the CDM/JI market across developing countries and regions, the Expo has provided an ideal venue for sharing knowledge on carbon policy and practice, and an effective marketplace for transacting greenhouse gas emission reductions and carbon business solutions. National CDM agencies, investment promotion offices, local project developers, financial intermediaries, buyers from around the world, auditors and policy makers have made the Expo a favored stop.

What was special at this year's Carbon Expo?

The participation. The 2011 Carbon Expo came at a critical time; the optimism generated by the Cancun climate conference (COP-16) provided markets hope for an early resolution of the impasse at negotiations, but it is now increasingly clear that the prospects of arriving at agreement on next steps for the Kyoto Protocol are not yet at hand, and that there will be a gap between first and future commitment periods under the Protocol. In addition, virtually no time left remains now to generate fresh business under the current commitment period, which expires on December 31, 2012. Given these prospects, there was concern that the Expo might not attract its usual crowd of participants. We were all surprised when more than 2600 participants from across the globe came to the Expo, and it is obvious that market participants want to keep abreast of developments. But they are also clearly signaling their continued support for carbon market instruments to their policy makers. More than 50 national governments were represented as well.

Source: Interview - Learning at the Carbon Expo 2011. In:
<http://wbi.worldbank.org/wbi/stories/interview-learning-carbon-expo-2011>

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finance. The international community is, therefore, looking at new options to leverage, blend and deliver finance from the private and public sectors in both developed and developing countries.

Against this background, we have reframed the Carbon Expo agenda and moved toward a more comprehensive approach that expands carbon finance and encompasses broader concepts, such as LEDS and NAMAs.

CF-Assist supported the design of the conference and fair program of the Carbon Expo, and facilitated the participation of more than 50 high-level government representatives and technical missions from CDM and JI host countries (i.e., Host Country Committee (HCC)). It coordinated and arranged regional exhibition pavilions and national stands for showcasing project portfolios and best practices. In alignment with our strategic expansion of themes to be covered during the Carbon Expo and the changing profile of carbon market host countries, participants this year will be invited to showcase, in addition to new CDM/JI projects, their respective best practices and advances in terms of LCD planning and NAMAs, as well as advising the World Bank Group on future carbon market/climate finance and capacity ministers.

In collaboration with UNDP Climate Finance Options (CFO) and the Inter-American Development Bank (IADB), we also featured, at the Carbon Expo 2011, a "Knowledge Booth," where we displayed our respective e-courses and guided interested clients through the virtual platforms.

As this Annual Report is being finalized, preparations are underway for the ninth edition of the Carbon Expo, which will be held from May 30 to June 1, 2012, in Cologne, Germany. We will provide information on this year's Expo via our WBICC quarterly e-Bulletin.

Our partners for the 2012 Carbon Expo are IETA and Koelnmesse.

Africa Carbon Forum

During this reporting period, we have been co-organizing with partners of the Nairobi Framework the third Africa Carbon Forum, held in Marrakesh, Morocco, in July 2011, as well as the fourth Carbon Forum, held in Addis Ababa, Ethiopia, in April 2012.

Over 600 participants attended the third Africa Carbon Forum. These participants were able to share their experiences with CDM projects, learn about the latest developments in emissions trading and the future of the CDM, analyze national



and international climate change mitigation policies, and facilitate the negotiation of emission reductions.

The 2011 Forum celebrated the 10-year anniversary of the Marrakesh Accords, signed in 2001, which laid out the rules of meeting the targets set out in the Kyoto Protocol. During challenging times for the carbon market due to slow progress in the climate talks, lack of a clear regulatory future, stagnation of traded volumes (the World Bank's annual *State and Trends of the Carbon Market Report* states a market value decrease of US\$2 billion in 2010 to US\$142 billion, most within the emissions trading scheme (ETS) and with an exponential decline in CDM projects) and the risk

Nairobi Framework

The Nairobi Framework was launched by UN Secretary-General Kofi Annan in 2006 to help developing countries, especially those in Sub-Saharan Africa, increase their participation in the CDM. CF-Assist represents the World Bank in this framework along with UNECA, UNEP, UNDP, UNITAR, UNCTAD, UNFCCC, IETA and the African Development Bank.

of market fragmentation, participants also noted positive signals. For example, Christiana Figueres, UNFCCC Executive Secretary, said "*While the future scope of the market is still unclear, the carbon market is in fact in the process of reinvigorating itself and (...) Africa holds one of the greatest potentials for participation in that market.*"

Instruments expanding the traditional CDM were discussed, among others, in particular PoA. "*Programmatic CDM is clearly seen as a very attractive option by African countries and it is starting to catch on. The interest is evident here at this Forum. But we need to reform and improve the processes, particularly for the least developed countries, to allow them to better access the CDM,*" said Mary Barton-Dock, Director of the World Bank's Environment Department.

The fourth Africa Carbon Forum, which was attended by more than 800 participants, and took place in April 2012 in Addis Ababa, Ethiopia, was characterized by a remarkable shift in the knowledge of participants and the approach to climate and carbon finance as a co-benefit in sustainable development visions, strategies and plans of actors in Africa. As at previous editions, the Forum program addressed the future of a reformed CDM in Africa,

and the impacts of the lack of demand for offsets, and provided insights on recent developments in the international carbon market. Furthermore, plenary sessions discussed challenges for low carbon energy access, opportunities in agriculture and forestry, and global perspectives on the future demands for offsets. In particular, the event focused on promoting green and low carbon development in Africa, discussing the impact and deliverables Africa can expect to see from the adoption of the Durban Platform, as a result of the COP-17 decisions that reinforced the international commitment to reducing emissions of greenhouse gases, while highlighting post-2012 opportunities for African projects.

India Carbon Market Conclave

The India Carbon Market Conclave (last held on September 7-8, 2011, in New Delhi), which was organized by the Federation of Indian Chambers of Commerce and Industry (FICCI), with CF-Assist and IETA as co-organizers, and sponsored by the Indian Ministry of Environment and Forests, is the largest venue to engage with the Indian carbon market.

The Conclave is India's flagship event in the carbon market space providing an all-inclusive forum for global carbon



market stakeholders to engage with Indian project developers. It is a place to share knowledge on current trends and emerging scenarios of the global and Indian carbon market, and a forum for domestic and international policy dialogue on climate change and carbon markets. Over 180 public and private sector representatives interacted with more than 50 high-level speakers in 8 plenary sessions and side events.

South-South Knowledge Exchange: Kenya, India, the Philippines and Thailand

Immediately before the India Carbon Market Conclave, CF-Assist organized,

with support from the World Bank's South-South Experience Exchange Facility Trust Fund, a knowledge exchange event for government delegates from Kenya, the Philippines and Thailand to learn from India's experience on the successful use of energy certificates. "*This validated the usefulness of South-South Exchanges and the key role that a multilateral agency like the World Bank can play,*" said Elisea Gozun, Presidential Advisor on Climate Change, Office of the President, the Philippines.

The New Delhi event was a continuation of a series of south-south knowledge exchange activities on clean energy and energy access initiated in March 2011 (as

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reported in our 2011 Annual Report) and organized in collaboration with the IFC and the World Bank Africa region.

The south-south dialogue series on this topic is being continued with virtual knowledge exchange events, i.e., webinars.

Latin America Carbon Forum

Our main practitioner exchange event in the LAC region is the Latin American Carbon Forum, which met for the sixth time in September 2011, in San José, Costa Rica. It was organized by the UNFCCC, UNEP Risoe, the Latin American Energy Organization (OLADE), the Inter American Development Bank (IADB), IETA and CF-Assist.

"We are heading towards a global low carbon economy. Governments must continue to further define the international policy framework to facilitate this transformation, while mobilizing the private sector, which has the most access to innovation and the investment capital needed for this transformation," said Christiana Figueres, UNFCCC Executive Secretary, during the event.

More than 900 developers of low carbon projects, financiers, the private sector, forestry specialists and government agencies from more than 46 countries

Our threats are not of a military nature, but social and environmental. Using a triple bottom line approach which successfully combines economy, ecology and equity, we will position our country as a front runner of eco-competitiveness,

RENÉ CASTRO, Minister of Environment, Energy and Telecommunications of Costa Rica.

came together to discuss how best to achieve LCD. The three-day event included discussions on the state of the carbon markets, including existing mechanisms, such as the CDM and NAMAs, and how they link to LEDS, and on emerging approaches for scaled-up mitigation efforts, such as REDD+.

For more than ten years, the CDM, as well as other voluntary offset schemes, have provided a vast pool of public and private sector experiences and expertise. It is now important to leverage these lessons for future global and national climate change regimes.

Countries and cities showcased how they integrate the reduction of greenhouse gases into their development planning and implementation. Participants realized that it is possible to achieve

national goals, while at the same time mitigating climate change. However, much learning is still necessary when designing LEDS and identifying, structuring and implementing NAMAs.

The biggest concern among participants at the Latin America Carbon Forum 2011 was the lack of international policy signals and guidance needed to enlarge the global carbon market and make it more effective. The showcasing of emerging current national-level actions and initiatives was seen as a positive signal in this context.

The event in San José followed gatherings in: Quito, Ecuador, in 2006; Lima, Peru, in 2007; Santiago, Chile, in 2008; Panama City in 2009; and Santo Domingo, Dominican Republic, in 2010. The next Latin America Carbon Forum is

expected to be hosted in October 2012 in Rio de Janeiro, Brazil.

The Latin America Carbon Forum 2011 has again demonstrated that south-south knowledge exchange events, such as our regional fora and specific initiatives, are the most effective way of learning, in combination with structured learning activities as part of broader capacity-building initiatives. We, hence, aim to continue providing cutting-edge learning around LCD via designated platforms to help create networks of practitioners so that countries can better learn from each other's experiences and move to eventual implementation in the field.

In July 2011, we have supported a regional PoA workshop in La Antigua, Guatemala. The event, which was funded by the Government of Spain, was held at the training centre of the Spanish Agency for International Development Cooperation (AECID) within the framework of activities of the Ibero-American Network of Climate Change Offices (RIOCC), and collaboratively organized by the Economic Commission for Latin America and the Caribbean (ECLAC) and the World Bank.

CF-Assist Virtual

Utilizing various technical platforms at our disposal through the WBI infrastructure, such as the Global Development Learning Network (GDLN), and webinars through the new WBI e-Institute platform, CF-Assist has over the last year hosted several virtual knowledge exchange events.

Global Dialogue Series – "The Road to Durban"

Among other events, we organized—in collaboration with the WBI Urban Practice, the World Bank Country Office in South Africa, GDLN, Linkd Environmental Services, and Local Governments for Sustainability (ICLEI)—the virtual Global Dialogue Series on Climate Change – “*The Road to Durban*”.

The series discussed pertinent key issues in light of the then upcoming COP-17 in Durban, with the aim of helping to prepare participants to better understand, learn and reflect on topics relevant for the conference. Each dialogue was attended via video-conferencing by more than 15 participants, including policy makers, government representatives (from both national and sub-national levels), international organizations, financial

institutions, NGOs and academia. In addition to the participants in the various video-conferencing studios, hundreds of people from around the world were connected and engaged in the sessions via webcasts to provide a platform to showcase results, lessons learned and best practices in the topic areas.

One month after COP-17, in January 2012, we hosted the aforementioned webinar on “Climate Change Signals from Durban,” which was attended by more than 90 climate change practitioners, students and representatives of nongovernmental organizations. The discussion dealt with the main outcomes of Durban, the importance of carbon markets for climate change, the GCF, the role of agriculture and NAMAs, among others.

In April 2012, we launched a series of webinars on NAMAs to provide a global discussion platform for this emerging, scaled-up mitigation instrument; this series is also linked to MAIN. The first session, hosted on April 3, discussed the question of “*NAMAs at Durban – What Lies Ahead?*” It discussed the important progress made during COP-17 toward clarifying the international operational framework for NAMAs, particularly on a prototype registry and core guidance for reporting, dealing with the question of

Global Dialogue Series – “The Road to Durban”: Topics and Session Dates

Climate Resilient Cities, May 26, 2011

The dialogue on Climate Resilient Cities explored best practices for cities to proactively tackle climate change impacts. The videoconference session was an opportunity for practitioners and technical experts to reflect on their experiences and share their knowledge on the best ways to move toward climate resilient cities.

Adaptation, Food Security and Rural Development, June 29, 2011

This dialogue explored the impact of climate change on food security in Africa. Approaches to support and scale up climate resilient agricultural systems were discussed in order to catalyse actions for a food secure Africa.

Climate Finance, July 6, 2011

This session focused on the financing challenges of the transition to a climate-resilient low carbon economy, and how developing countries could mobilize financial resources from a combination of bilateral, multilateral and private sector sources. Christiana Figueres, UNFCCC Executive Secretary, was among the speakers.

Scaling up Mitigation Actions in Cities, July 28, 2011

This dialogue addressed challenges and opportunities, as well as best practices for scaling up mitigation actions at the city level. The discussion catalysed further actions in knowledge sharing, policy commitments and practical program developments in various sectors: from renewable energy and energy efficiency to public transport and urban densification.

Human Resources and Technology, September 8, 2011

This dialogue addressed new types of education, technologies, skills, knowledge and expertise that will be required for a robust response to climate change and a transition to a green economy. The session focused on technology development and transfer strategies for developing countries, as well as industrial strategies for developing green technologies and green jobs.

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whether recent developments will foster international cooperation and accelerate NAMAs' design and implementation in developing countries.

The series will continue with at least five more sessions over the next few months. As mentioned, the series is featured as part of our MAIN initiative and provides useful, state-of-the-art knowledge to stakeholders working on MAIN.

Tools, such as webinars and GDLN sessions, have proved useful to interlink and synchronize our work across business lines. For example, in April we organized a session for alumni of our CDM/JI and PoA e-courses, linking them to experts from the UNFCCC and the World Bank. Hence, we are ensuring that dialogues that began in e-courses are continuing in support of eventual implementation of projects and strategies in the field.

We also opened permanent, virtual discussion fora to ensure continuous engagement with our stakeholders in support of our broader capacity-building mandate (i.e., discussion fora for e-course alumni).

3.4. Collaborative Leadership and Coalition Building / Implementation

In this business line, we interlink the efforts made at earlier intervention levels and, hence, provide stakeholders with relevant structured learning products (i.e., in particular e-courses) and encourage their participation in knowledge exchange events as part of a results-oriented capacity-building mix aimed at eventual implementation of projects, programs and strategies.

MAIN Initiative

One of our flagships under this business line is our aforementioned MAIN initiative, which deals with strategies related to LED and NAMAs. The Latin American chapter of MAIN was launched in March 2011, in collaboration with the INCAE Business School, our regional partner in Costa Rica (as reported in our 2011 Annual Report). The first MAIN-Asia regional academy took place in October 2011 in Phuket, Thailand, bringing together interdisciplinary teams from China, Indonesia, Malaysia, Pakistan, the Philippines, Thailand and Vietnam, as well as experts from Denmark and India.

Besides one to two regional academies per region per year, MAIN features virtual interactions via videoconferences



and webinars by subject matter experts (such as the aforementioned webinar series on NAMAs).

MAIN is conceived as a demand-driven policymaker and practitioner platform that brings together officials across countries, ministries and other key stakeholder groups. It aims to support the process of learning-by-doing and knowledge exchange on effective NAMA and LEDS development in developing countries. MAIN also fosters sharing knowledge and experiences generated in related programs, such as the

Partnership for Market Readiness (PMR), the Clean Technology Fund (CTF).

Interim results from the MAIN-LAC initiative indicate: successful dialogue among country teams with a high level of enthusiasm; cooperation among and within Latin American countries (information sharing on NAMAs and LEDS being developed); improved understanding of NAMAs and their evolving implementation framework, in particular for participants outside the UNFCCC process; greater awareness of regional success stories and ideas for

MAIN at a Glance

- MAIN - Mitigation Action Implementation Network
- Topic: LED and NAMA strategies
- Launched: March 2011 in Costa Rica for LAC; October 2011 in Thailand for Asia
- Partners: INCAE (regional virtual learning, knowledge and practitioner network; LAC); CCAP; supported by ICI
- Countries: Argentina, Colombia, Costa Rica, Chile, Panama, Perú, Group of Caribbean Countries (LAC); China, Indonesia, Malaysia, Pakistan, the Philippines, Thailand, Vietnam (Asia)
- Objective: Accelerate mitigation action by fostering knowledge and experience sharing; support national expert teams in understanding concepts, challenges and opportunities related to LED and climate finance, and in drafting related strategies
- Mode of Delivery: Distance Learning; Practitioner/South-South Knowledge Exchange; Face-to-Face

possible NAMAs and LEDS; increased focus on sustainable development interventions and the need to frame NAMAs within sector sustainable development policies; and better understanding of donor-country funding priorities.

In addition to the INCAE Business School, in 2011, we also partnered with the Center for Clean Air Policy (CCAP) as our global implementation partner (to foster scaling up to other regions) for MAIN. The International Climate Initiative (ICI) of the German Ministry of the Environment also supports MAIN.

Based on the approach of MAIN but adapted to the priorities of the region, we are planning to launch in the fourth quarter of 2012 the "Low Carbon Development for Inclusive Growth" network in the MNA region. This capacity building initiative will build on ongoing climate change action work in the region, and further support countries (pilot countries include Egypt, Jordan, Lebanon, Morocco and Tunisia) to be well positioned for the development of their LEDS and use of climate finance.

Carbon Finance Capacity Building (CFCB) Program

Also falling under this business line is our work under the CFCB Program. Commencing in 2009, the first CFCB phase was completed after three years in February 2012. In total, more than 400 representatives from the participating cities of Dar es Salaam, Jakarta, Quezon City and São Paulo have been trained over the course of these three years as a result of our capacity-building intervention.

PINs have been developed in the following sectors: Waste Management (Dar es Salaam); Urban Forestry (Jakarta); and LEDS/Lighting (Quezon City). In São Paulo, work on two pilot waste management projects (in Heliópolis and Paraisópolis, two of the city's favelas with a combined population of 170,000) was initiated.

On the occasion of the Global Energy Basel event, held in Basel, Switzerland, in February 2012, CF-Assist presented the program's mid-term progress report, which concluded by summarizing challenges, lessons and next steps. In a nutshell, the report concluded that the CFCB program is well positioned to achieve its ultimate goal of capacitating municipal staff to independently employ carbon finance to achieve sustainable

development goals. The program was conceived as having: active, engaged and competent partners in all cities; a committed and knowledgeable staff; high-level political support in city governance structures; local implementation partners regularly advising city staff on carbon finance; and a powerful carbon finance learning tool.

City representatives who were interviewed for this report unanimously praised the quality of the support provided by CFCB in the form of technical assistance, city workshops, international events and moral support.

According to the mid-term report, CFCB has demonstrated value added for cities in training municipal practitioners to access climate finance, helping them overcome daily planning and implementation problems, and providing new ideas and access to financing. In the long-term, a program expansion from the current 4 to 16 cities is considered, ensuring participation from all regions.

NAMA Jordan

In collaboration with the World Bank's MNA region sustainable development team and the Public-Private Infrastructure Advisory Facility (PPIAF), we assisted Jordan in enhancing its capacity with regards to NAMAs, and a

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pilot NAMA has been drafted. Currently, the necessary level of institutional and regulatory support to permit the development of the pilot is being secured. In parallel, findings are being shared with stakeholders from other countries in the region, and the feasibility of a regional MAIN chapter (please, see above on the planned "Low Carbon Development for Inclusive Growth" network) is also being explored.

Rio Low Carbon City Development (LCCD) Program

Another example of CF-Assist's project support on the ground is the Rio de Janeiro Low Carbon City Development (LCCD) Program—a cross-sectoral climate change mitigation action initiative at the sub-national level. In this program, CF-Assist supported the Latin America department of the World Bank, with the aim of establishing an ISO-certified accounting system related to climate change mitigation planning and financing. A clear potential for replication in other cities in Brazil and worldwide has been identified. This program will be formally launched in Rio de Janeiro during the Rio+20 Conference.

As the last three examples indicate, we are gradually moving, in our implementation business line, from

single project support toward fostering more holistic, scaled-up climate change mitigation efforts.

Mexico Housing Program

Also, in Mexico, CF-Assist is supporting the Latin America department of the World Bank in such a comprehensive mitigation initiative by fostering the Mexican Government's efforts to develop sustainable housing initiatives, including a CDM PoA. This PoA will be operated and implemented by the National Housing Commission (*Comisión Nacional de Vivienda*), and designed to facilitate the adoption of a broad range of energy efficiency and renewable energy measures. The Program will be operationalized through innovative instruments already created by the Mexican Government, such as the *Hipoteca Verde* (Green Mortgage), in which the additional costs of green technologies are included in a long-term mortgage and below market rates conditions, and the *Esta es tu Casa* (This Is Your Home) green subsidy, which is directed toward low-income families for the purchase of new homes that count with sustainable technologies. Carbon finance will help Mexico's housing sector address the additional upfront costs of clean technologies, as well as scale up these green instruments.

We are also working, together with other initiatives—such as the PMR and donors (including the German and Canadian governments)—to support Mexico in creating NAMAs in the housing and urban sectors. These new instruments will try to expand the scope of existing sustainable housing initiatives by bringing more financial institutions into the field and by providing access to state-of-the-art green technologies. This will also go beyond the housing sector per se, and take account of the whole urban infrastructure and urban planning environments.

Priority Sectors

In alignment with WBICC programmatic directions, we are also surging in selected priority sectors, i.e., agriculture

and energy, in addition to our focus on supporting comprehensive, scaled-up climate change mitigation efforts and LED planning and financing initiatives.

Energy

CF-Assist is implementing the *Climate Friendly Energy Efficiency Policies across South-East Europe* capacity-building program (EE-CAP), which is being mainly funded by the Austrian government. The objective of this three-year (2009-12) program is to help develop and scale up implementation of energy efficiency by means of a comprehensive learning and capacity-building program.

In the context of this program, several aforementioned, energy-related



e-learning courses have been/will be developed, i.e., *Saving Energy through Energy Savings Performance Contracts* (already available), *Tool for Rapid Assessment of City Energy (TRACE)* (already available), *Energy Efficiency in Public Buildings*, and *Tapping the Carbon Market for Energy Efficiency Projects in Public Buildings* (production upcoming). While applicable to a global audience, these courses are of particular relevance to the stakeholders we work with in the EE-CAP program. Following our approach to offer a comprehensive mix of structured learning, knowledge exchange events, and capacity-building support on the ground, more than 30 key stakeholders completed our *Saving Energy* e-course and will take the other aforementioned courses once available.

Focusing on Kosovo, Macedonia and Serbia, we organized a series of regional and in-country training events in support of EE-CAP's objective. For example, in early February 2012, we hosted a regional workshop in Vienna, focusing on the energy efficiency planning cycle for buildings, i.e., from diagnostics to budgeting, planning and auditing. By the completion of the EE-CAP program, participating country stakeholders and institutions will be capable of mainstreaming energy efficiency policies into their respective development planning cycles.

In April 2012, the team organized a consultation meeting around an IFC-led program (the IFC-European Investment Bank (EIB) Sustainable Energy Facility) in support of clean energy investment in Kenya and other countries in East Africa to help companies improve their environmental performance, install clean energy equipment, and reduce energy costs. The consultation meeting – which kicked off a capacity building program that would support the IFC-EIB Facility to develop a pipeline of investment opportunities - included representatives from Kenya and India - federal energy regulators, private sector associations, banking representatives and climate practitioners - who shared their views about the progress made in terms of RE/EE policies, financial schemes, and planning and management tools.

Agriculture

As already discussed in our 2011 Annual Report, we are supporting the development of a "triple win" CSA project in the Kisumu and Kitale regions in Kenya, through funding technical assistance in improving the carbon monitoring methodology, and in capacity building and training for implementing carbon monitoring systems.

This project is being undertaken by SCC-Vi Agroforestry, a Swedish NGO, and

"Triple wins" in the context of CSA include "...getting higher yields, improving the resilience of (...) crops to drought and creating stronger soils that sequester more carbon...."

ANDREW STEER, Special Envoy for Climate Change, World Bank

supported by the World Bank BioCarbon Fund and Africa region department, as well as CF-Assist. The project covers 45,000 ha, is being implemented by over 60,000 farmers and aims to increase the adoption of climate-smart farming practices that will achieve "triple wins."

In May 2011 and February 2012, respectively, we organized two south-south knowledge exchange events. Participants came from Ethiopia, Germany, Senegal, Sweden, Tanzania and Uganda to see the innovations and lessons from this project first hand (most participants paid their own travel costs).

In December 2011, the methodology developed under this project, and supported by CF-Assist, was officially approved by the Voluntary Carbon System (VCS), as an innovative monitoring, reporting and verification (MRV) method for developing, implementing and monitoring agricultural carbon. In February 2012,

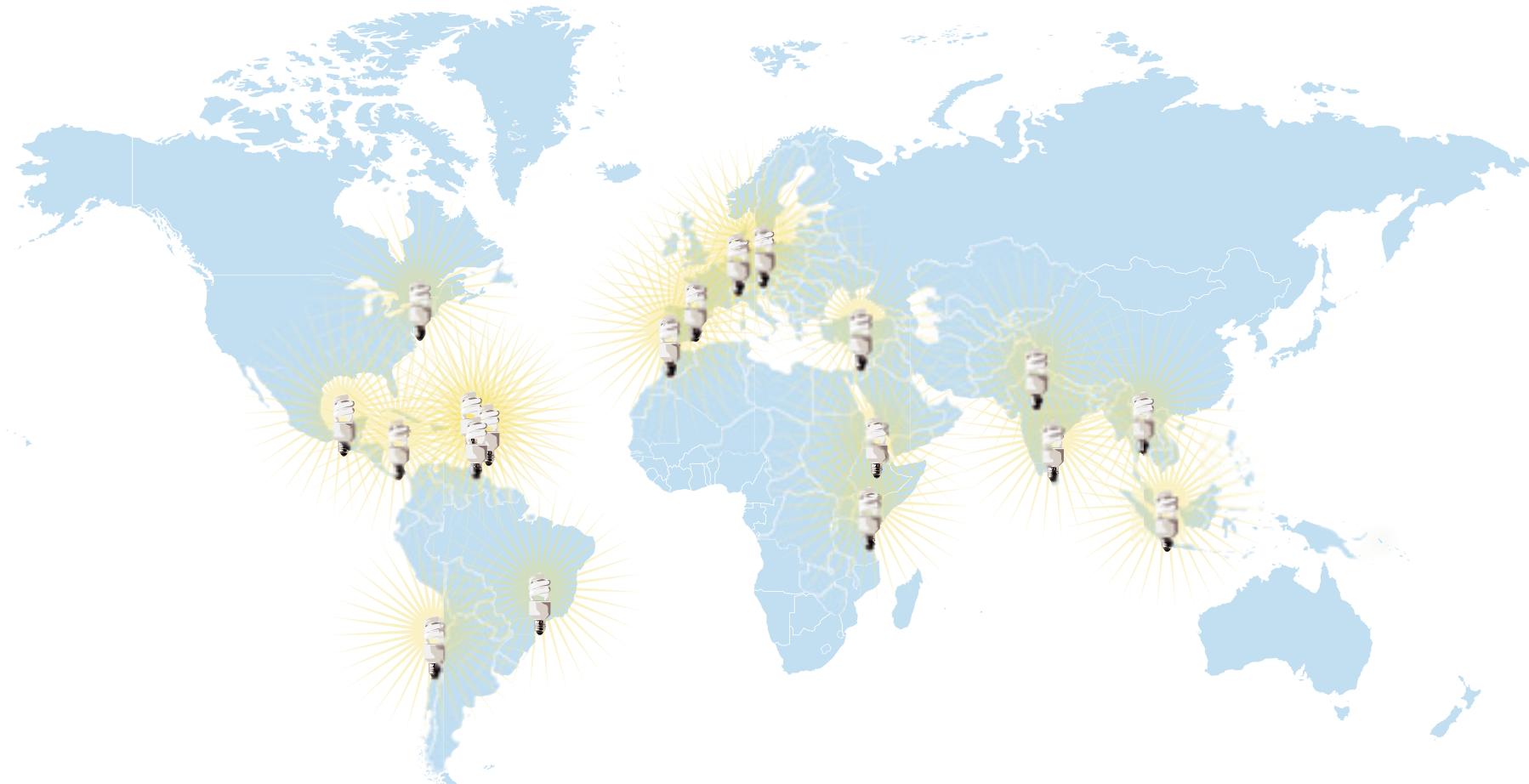
two independent carbon validators visited the project and were reportedly very impressed by the results. Official approval is expected shortly.

Currently, CF-Assist is working to develop a package of learning modules to disseminate the new methodology and lessons learned from this project. These modules will be made available as an e-course via the WBI e-Institute and through face-to-face training. We expect that the lessons will generate great interest not only in Africa, but in other regions as well, both in developing and developed countries.

Our support has proven to be an effective means to advance the climate change negotiations agenda on agriculture, through integrating food security with climate impact mitigation and carbon sequestration.

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Distribution of CF-Assist Activities, 2011-12



Impact Stories



4. Impact Stories

In this section of our 2012 Annual Report, we would like to give voice to stakeholders who have comprised part of our initiatives. To show that impact can be achieved at different levels and business lines, we will feature people who have taken e-courses, participated in knowledge exchange events or been part of broader capacity-building initiatives. Each of the selected stakeholders represents one region.



IMPACT STORY FROM EAP: **FREDERIKA C. RENTOY** Head, Environment Protection and Waste Management Department Quezon City Local Government

Q. In which initiative have you collaborated with CF-Assist? What was the duration of this collaboration?

A. Quezon City has been chosen to participate in the Carbon Finance Capacity Building (CFCB) Program, which aims to build the capacity of cities in identifying and developing projects that can access carbon finance under the Clean Development Mechanism (CDM). Carbon finance was seen as

an opportunity to explore cleaner technologies, while at the same time generate additional revenues for the city.

Last February 2009, the Quezon City was invited to the launching of the CFCB Program, where relevant projects were initially identified. In May 2009, the city was chosen from among many cities as one of the program beneficiaries with energy efficiency in street lighting as the target project.

Since then, technical assistance has been given to local officials of the Quezon City through the consultants that were commissioned by the World Bank to: (1) conduct the feasibility study of our proposed project; (2) prepare the Project Identification Note; and (3) provide guidance and advise on the challenges of choosing the right LED product, as well as in measuring its energy efficiency and luminaries.

Aside from these consultants, the CFCB Program also facilitated the attendance of our local officials in various international conferences and co-organized workshops in the Philippines to facilitate sharing experiences with other cities. An e-learning program on CDM and JI was also given to our local officials.

To date, the Terms of Reference for the procurement of LED streetlights is being finalized with assistance from the World Bank technical consultant. This is now being facilitated through teleconferences and email correspondence.

Q. How has the CF-Assist initiative supported you with your work and how has it added value?

A. The CFCB Program was a timely opportunity to take another step in the city's environmental initiatives. Armed with limited knowledge and technical know-how, the city saw the immense potential of engaging in this work, not only to reduce the city's greenhouse gas emissions, but also to reduce the city's operational expense and gain financial incentive from carbon financing, all through one initiative.

The technical consultants that were commissioned for this project provided us with important insights, which have guided us in our decisions and

policies regarding implementation of our proposed project. Now, apart from piloting the use of LED technology for our streetlights, serious consideration is being given to utilizing the same technology for the indoor requirements of city-owned facilities and buildings.

Aside from the technical assistance of World Bank consultants, the local and international conferences that were attended by our officials under the CFCB Program also gave us relevant information on opportunities in PoAs and the CDM, sustainable infrastructure development and financing, among others. These forums also exposed our officials to different LED technologies and enabled them to see how cities have slowly adopted this technology. It was during these conferences that we were able to showcase the city's initiatives and learn best practices from all over the world in order to replicate them at home.

Q. What has materialized since your last interaction with CF-Assist? Can you please provide an update on the status of any project that has been developed as a result of your collaboration with CF-Assist?

A. Partnering with the World Bank and providing networking opportunities have helped address the obstacles faced by the city in terms of: (1) lack of

technical skills to undertake the project; (2) difficulty in conducting a thorough study and evaluation of technologies in the market; and (3) lack of technical know-how on carbon financing options.

To ensure that the project is realized, the Environment Policy and Management Council, chaired by our Honorable Mayor and with members coming from different city departments, has also been tasked with overseeing implementation of the project.

As mentioned earlier, the Terms of Reference (TOR) for the procurement of LED streetlights are being finalized with assistance from the World Bank technical consultant and facilitated through teleconferences and email correspondence.

While we still have a long road ahead of us, we are more confident now and have better skills to share with other colleagues.

Q. What is the next step in terms of this project?

A. After the TOR has been finalized, the city will commence with the public bidding to procure the first batch of LED streetlights for the pilot phase of the project.



**IMPACT STORY FROM LAC:
RODRIGO ROSA
Special Advisor of the Mayor of the
City of Rio de Janeiro
Rio+20 Municipality Executive
Coordinator**

Q. In which program have you concerted with CF-Assist?

A. The World Bank's CF-Assist program has helped jumpstart activities related to the "Rio Low Carbon City Development Program." We have been collaborating on this program over, approximately, the last 1.5 years.

Q. How has CF-Assist (i.e. capacity-building) part of the program supported you in your work and how has it added value?

A. CF-Assist has been instrumental in designing the overall program framework for Rio's LCCD Program, and has helped make substantial progress with two pilot interventions within

the overall program framework. These two pilots are related to urban forestry and non-motorized urban transport, i.e., cycling. Bringing "the carbon lens" into activities that directly relate to Rio's urban sustainability agenda adds tremendous value in terms of credibility and also introduces additional incentives, which help to ensure their longevity and, hence, sustainability. The LCCD Program is particularly timely given the substantial investments Rio will be facing in the next couple of years related to the mega events to be held in the city (the World Cup and Olympics). These investments are a great opportunity for Rio to "reinvent" itself in a greener, more climate-friendly way and the program we have been developing with the World Bank can potentially play a significant role in all of that.

Q. What has materialized since your interaction with CF-Assist? Is the program still ongoing?

A. Yes, the program is very much ongoing and, in fact, we are now planning to officially launch the Rio LCCD Program at Rio+20, which is taking place in mid-June in our marvelous city. The launch of the program is only a starting point for what we consider to be a path-breaking initiative between the World Bank and the City of Rio de Janeiro in promoting sub-national

climate change mitigation action, in this case particularly at city-level.

Q. Can you provide an update on the program? What are the next steps?

A. The program design, that is the interaction of different Secretaries and Departments across the urban landscape in order to incentivize, implement and monitor climate change mitigation actions, has begun and detailed design features of the LCCD Program are being developed as we speak.

The most exciting next step is probably going to be the ISO certification we are seeking for the LCCD Program. With this certification (which is already underway), the Program will be turned into a globally applicable business model for climate change mitigation at the city level.

We are definitely looking forward to continuing the very productive relationship we have been able to establish with the World Bank.

4. Impact Stories



IMPACT STORY FROM AFR: GISSIMA NYAMO-HANGA Technical Assistance Support Manager Rural Energy Agency (REA)

Q. Kindly elaborate on the capacity building initiative which you took up in collaboration with CF-Assist?

A. In 2006, before joining the Rural Energy Agency, I attended a CDM course in Addis Ababa Ethiopia. This course was organized by the World Bank Institute (CF-Assist) and was my first course on the CDM, which opened me up to the world of carbon finance. From then on, I became a CDM ambassador and managed to sow the seeds to REA soon after joining in 2008. I made sure the CDM found a place in the organization's strategic plan. Thereafter, I continued to attend conferences locally and, later, some internal training within REA from various CDM support groups. In 2009-2010, WBI CF-Assist provided us with technical support to develop the PIN

of "Tanzania Renewable Energy CDM PoA," as well as hands on training, which helped to build the capacities of REA staff. CF-Assist provided support on how REA can be organized and structured to become a coordinating entity of the CDM PoA.

The PIN was submitted to the World Bank Carbon Finance Unit, with the intention of collaborating with the Carbon Partnership Facility and assisting rural energy projects in Tanzania to benefit from carbon credits revenues.

Q. How has CF-Assist supported you in your work and has it added value?

A. The CF-Assist training workshops were very helpful to understanding and engaging in the design of CDM PoAs. Through the support of CF-Assist, two PINs (CDM CPA and CDM PoA) have been created. Once implemented, the program will generate multiple benefits for the community. Firstly, they will have modern energy services, which is the most important thing. Secondly, people will benefit due to an agreement between us (i.e., REA) as the coordinating entity and the project owners, ensuring distribution of any revenues associated with carbon credits.

Q. What has materialized since your interaction with CF-Assist?

A. We have received the Letter of Approval from our National CDM Designated National Authority and validation has also been conducted with support from the Carbon Finance Unit.

We have developed a contract agreement to be signed with our first CPA, a 10 MW hydropower project called "Mapembasi" in the Njombe region in the southern highlands of Tanzania. About six other small hydropower projects have already written letters to join the CDM PoA Programme. In the portfolio, we have around 30 small hydropower projects with a total capacity of around 100 MW.

Q. What are the next steps?

A. The next steps from here on are:

- Signing the contract agreement with the first CPA that is 10 MW Mapembasi Hydropower Project;
- Recruiting more projects to join in as CPAs into the program;
- Finalizing the validation process; and
- Capacity building to strengthen our internal team (REA).



IMPACT STORY FROM ECA: OLGA DIUKANOVA Senior Analyst, Foundation for the Development of Environment and Energy Markets

Q. Which course of the WBICC/CF-Assist e-course portfolio did you undertake?

A. The Low Carbon Development (LCD) Course, from September 1-29, 2011.

Q. How has the WBICC/CF-Assist course supported you in your work and how has it added value?

A. The course has greatly expanded my knowledge of LCD planning. My primary area of expertise is general equilibrium modeling, so the possibility to learn a different bottom-up modeling approach was indispensable. The structure of the EFFECT model, developed in the World Bank, was explained well in the course tutorials. I found it was very useful to apply our knowledge by performing simulations with EFFECT.

The course strongly supported my decision to work with energy sector models, such as EFFECT, and apply them to evaluating mitigation options. I hope to employ such knowledge and skills in Ukraine to elaborate LEDS.

Q. What has materialized since you commenced the course?

A. I continued my work on assessing alternative emission permits allocation schemes in Ukraine. The methodology was based on a computable general equilibrium model. In parallel, I was studying the EFFECT model.

As a successful participant of the Low Carbon Development course, I was selected to co-facilitate its next delivery, from March 5-30, 2012, which was a great experience.

Q. During the course, you drafted a low carbon development (LCD) plan for Kazakhstan. Could you shed some light on its usefulness with your current work?

A. Designing the LCD draft plan during the course provided me with valuable skills and knowledge, which I plan to use in preparing the LEDS for Ukraine. Just recently, the USAID scoping mission visited the country to study prerequisites for LEDS. So I hope to be part of the

project team if the project gets approved by the Government of Ukraine.

Q. Would you consider any other e-course from the WBICC/CF-Assist portfolio?

A. Later this year, I will take the e-course on Investment Planning towards Low Carbon, Climate Resilient Development. Since carbon abatement is achieved mainly via energy saving, installation of advanced energy efficient technologies requires significant investments. So I hope the course will provide me with the necessary knowledge to estimate the real cost of investments and identify sources of finance.



**IMPACT STORY FROM MNA:
SHADA EL-SHARIF
Head of Sustainability –
Arabtech Jardaneh**

(Local Climate Change Consultant on the World Bank-funded project to provide Assistance to the Government of Jordan with regard to NAMAs)

Q. Could you provide information on the project in which you collaborated with this technical assistance (TA)?

A. This project is among the first of its kind in the MNA region and globally. It was implemented in response to the Government of Jordan's initiative in developing its preliminary NAMA list and subsequent request for assistance to further develop it. The project commenced with a World Bank mission to Jordan in 2011. Since then, the project has involved close collaboration with the Ministry of Environment and other stakeholders in Jordan's key infrastructure sectors (water, energy, transport and waste) to

identify potential NAMAs that are in line with national strategies, demonstrate replicability, have significant greenhouse gas reduction potential and present an interesting economic opportunity for private sector participation.

Q. How has this TA enhanced your knowledge and capacity? Do you think it has contributed to development and enabled local expertise to undertake such work in the future?

A. This TA has been extremely useful in terms of raising awareness about an important concept in the LED arena, namely the NAMA, among both public and private sector stakeholders in Jordan. The hands-on and consultative process in developing the long and short lists of potential NAMAs has generated invaluable experience in terms of the methodology for developing NAMA projects. Proper documentation and communication of this process not only will pave the way for future NAMA development in Jordan, but will also serve as an example for other countries in the region and even around the world. The approach of combining both locally-based and international experts in carrying out this type of project has proven to be successful, whereby teams are able to bring in their specialized knowledge and experience of international and local best practice.

4. Impact Stories

The TA has been beneficial in terms of facilitating the development of networks and partnerships among key players in the climate change mitigation sector in Jordan, which will form the basis for any collaboration or assistance in this sector in the future.

Q. Could you elaborate the experience since your interaction with this TA?

A. The project is currently in its final stages, whereby a regional workshop to present key concepts and findings was successfully implemented last month. A highlight of this event was the opportunity to share experiences across the region and to highlight the Jordanian experience with NAMAs to date. It is clear that NAMAs are a dynamic and potentially powerful development tool, whereby developing countries are encouraged to take the initiative to develop what works in their local context and be part of the global dialogue on developing best practices for NAMAs.

Q. Could you provide an update on the project?

A. Based on extensive stakeholder engagement in the early stages of the project through a number of methods, including face-to-face interviews, questionnaires, workshops and review

of relevant national documents/studies, it was possible to identify a long list of potential NAMAs spanning the various infrastructure sectors in Jordan (water, waste, energy, transport). The local team was also involved in developing the NAMA criteria and filtering through the long list of projects; close coordination with the Government of Jordan and relevant stakeholders was undertaken iteratively throughout the process. Based on deliberations with stakeholders during the first workshop, the pilot project for Jordan's first pre-feasibility development under this TA was an industrial wastewater treatment project with private sector participation aspects, identified national priorities and reduction potential of greenhouse gas emissions.

Q. What are the next steps from here onwards?

A. The final TA report will be issued to shed light on the entire NAMA development process, as well as on the approach and outcomes of the pre-feasibility study. The aim is to build capacities of both the public and private sectors in developing such projects, and leveraging support from international climate finance instruments, where needed, towards realizing NAMAs. It is anticipated that the next step would

include further development of the pre-feasibility study for the selected pilot NAMA to take it further along the technical, financial and legal analysis needed for financial closure. It will be important to continue raising awareness about NAMAs and to further develop the process, taking into account constructive feedback and lessons learned from this initiative.



**IMPACT STORY FROM SAR:
RITA ROY CHOUDHURY**

**Federation of Indian Chambers of
Commerce and Industry (FICCI)**

Q. In which event are you collaborating with CF-Assist? How long has this collaboration been going on?

A. We are collaborating with CF-Assist for our flagship event, the "India Carbon Market Conclave." This collaboration has been ongoing since 2007.

Q. How has the event supported the work of climate change mitigation stakeholders from India and the South Asia region, and has the India Carbon Market Conclave (ICMC) added value to their work?

A. ICMC offers a business, networking and knowledge platform for carbon market players, a forum for accelerated and effective business decision making, an opportunity for investors and buyers to identify projects with financing needs

or credits to sell, a platform for engaging with the largest gathering of project developers in India and an opportunity to conduct carbon business transactions, as well as learn about new developments in different sectors. The forum helps in building the capacity of companies and Government organizations from the South Asian Region, enabling knowledge sharing and networking through specific stakeholder interfaces. In 2009, FICCI organized a pre-conference for SAARC countries titled "SAARC CDM Conference" as a back-to-back event of the ICMC in order to provide the opportunity to present and learn about mitigation initiatives through the CDM. Government and industry participants from Bangladesh, Bhutan, Sri Lanka, Nepal, Pakistan and the Maldives participated in ICMC 2009. Bhutan participated in 2010 and Thailand, the Philippines and Bhutan participated in 2011. ICMC 2011 also had a separate session on south-south cooperation.

Q. Can you please state some examples of projects or initiatives that have begun as a result of the India Carbon Market Conclave?

A. Over the past 5 years, ICMC has emerged as the leading forum in the carbon market domain, bringing together stakeholders from central

and state governments, carbon market companies, representatives from diverse industries, multilateral and bilateral agencies, consultants, industry associations, urban local bodies, etc., to deliberate on critical aspects of climate change mitigation.

ICMC has emerged as a strong outreach platform and has created visibility for the Indian carbon market, as well as visibility for FICCI as the leading organization in this space. It has resulted in significant spinoffs in terms of recognition as a thought leader, and a voice of and facilitator for industry, resulting in new initiatives. One such enterprise due to this recognition is a bilateral initiative called the UK India Business Leaders Climate Group that emerged out of recognition of FICCI's leadership in this space and its outreach capability through the ICMC platform.

Q. When will the next Carbon Market Conclave take place? What are the topics expected to be featured?

A. The next ICMC will take place on September 13-14 2012. This year, the following topics will be featured:

2. Strategy for Nationally Appropriate Mitigation Actions (NAMAs)
3. International Negotiations: State of Play from Durban to Doha
4. Future of the CDM and New Instruments
5. Technology Mechanism: How Can India Benefit from It?
6. Green Climate Fund: How to Operationalize and Use It?
7. South-South Cooperation
8. Aviation and Maritime Emissions

Conclusion



5. Conclusion

During 2011-12, CF-Assist further operationalized its strategic directions as endorsed by donors in December 2009 for the years 2010-13. In addition, the WBI business lines have been fine-tuned to the needs of our program. Hence, a robust conceptual and operational framework is in place to tackle the tasks ahead. This stable framework still allows sufficient flexibility to adjust to new developments evolving from the climate change negotiations, hence in-time preparation and implementation of holistic capacity-building initiatives.

The time and effort spent since the strategic redirection to build concepts and systems is paying off: products offered in each of the three business lines and work program areas complement each other, and are interdependently connected and in sync with clients' needs, as well as aligned with strategic priorities of our donors and partners.

In fact, we have observed that the topics, knowledge and capacity-building needs in our three work program areas (i.e., Low Emissions Development, Cities and Climate Change, and Carbon Market Instruments) are so interlinked that it has sparked further streamlining and

focusing of our work by integrating our efforts into one, overall work program area—i.e., Low Emissions Development Planning and Financing—which would be operational at both national and sub-national levels, integrating a full mix of scaled-up carbon and climate finance instruments into comprehensive planning exercises.

Strategic alliances with implementation partners are already bearing fruits and creating synergies, and leveraging our capacity-building efforts. We are now working to build a system that further improves capturing our results. One such concept we are exploring is the Open Development Experts Network (ODEN), which would feature successful stakeholders engaged in our programs and provide a platform for continuous dialogue and elaboration of projects and strategies in the field, as well as support our monitoring, evaluating and reporting on results in an efficient way, hence allowing us to keep delivering our work at the current volume and pace.

Future Outlook



6. Future Outlook

COP-17 in Durban created a new lease on life for the international climate change community. While uncertainties in terms of whether or not and in which format multilaterally-backed solutions will address the daunting climate change mitigation and adaptation challenges ahead have not been fully cleared, the Conference successfully introduced and reinforced frameworks and mechanisms that can play a leading role in addressing climate change. Increasingly, it has become evident that a mix of tools (i.e., carbon finance, climate finance, sustainable low carbon and climate-resilient development measures) may best achieve the necessary goals.

One of the key outcomes from Durban is the new agreement for a legal instrument, which will require all countries to reduce their carbon emissions to accepted levels by 2020, with action to be negotiated by 2015, i.e., the Durban Platform for Enhanced Action. New developments also allow moving forward with a comprehensive set of instruments in addition to carbon markets: i.e., the GCF and the emerging concept of NAMAs.

With the variety and complexity of current and potential instruments increasing, the requirements, in terms of actors' skills sets, are also increasing. The

demand for knowledge and capacity-building services is, hence, as high as ever, in particular as stakeholders are increasingly aware that "early movers" have a higher chance of being rewarded.

As we observe how the international negotiation process unfolds further, and eagerly await the new directions that will evolve from COP-18, to be held in Qatar later this year, we have already put a system in place that allows us to respond to clients' needs in a timely manner. For example, implementation of LEDS and NAMAs under the MAIN initiative is firmly established and responding adequately to future holistic planning and financing needs to achieve tangible and sufficient levels of climate change mitigation actions on the ground.

As we know and have stated in last year's Annual Report, in order to address climate change mitigation successfully at the global level, action and collaboration of all countries is required. 75% of the mitigation effort is necessary to achieve in developed countries and economies in transition, but this alone will not be enough. To avoid irreversible damage to our planet, the remaining 25% will have to occur in the approximately 140 countries that are typically referred to as insignificant in

terms of mitigation potential. However, without them, the global community will not achieve the emissions reductions needed.

Through our position in WBI, and its methods, business lines and approach to partnership, CF-Assist is well placed to close this gap, and contribute cost effectively to reaching this 25% target. One of the key instruments in achieving this against tight timelines is south-south knowledge exchanges, where countries can learn from "early movers" and adapt related lessons into their respective frameworks.

Hence, our business lines—structured learning, knowledge exchange and implementation—not only work in this sequence, but also vice versa; as we support the creation of solutions on the ground (e.g., drafting of LEDS and NAMAs), we keep a close eye on evolving best practices and feed them back to stakeholders facing similar challenges in other countries through south-south practitioner/knowledge exchanges, as well as integrate them as case studies in the development of new learning products.

The level of clients' satisfaction and positive feedback received assures us in the CF-Assist team that we are on the

right track, and that we have established ourselves as an entrusted provider of knowledge and capacity-building services. We are able to successfully facilitate positive change processes on the ground, in alignment with the priorities of our clients and donors, as well as our external and internal partners to achieve our common goal: a sustainable environment and a green, climate-friendly future.

Annex 1: List of CF-A Events for 2011-12

Month	Event	Location	Participants	# of days	Country Training Programs (CT)	Regional Events/Carbon Fora	Global Events/Carbon Expo (G)	Low Emissions Development (LED)	Cities and Climate Change (CCC)	Carbon Market Instruments (CMI)
2011										
May	HCC Annual Meeting 2011	Barcelona, Spain	62	2			G			CMI
June	Carbon Expo 2011	Barcelone, Spain	2600	3			G			CMI
June	CFCB program at the C40 Sao Paulo Summit	Sao Paulo, Brazil	38	3			G			CCC
July	3rd LAC Regional Seminar on Programmatic CDM	La Antigua, Guatemala	50	4		LAC				CMI
July	All Africa Carbon Forum 2011	Marrakech, Morocco	650	4		AFR				CMI
September	Carbon Finance Capacity Building Workshop - Jakarta	Jakarta, Indonesia	43	2	CT					CCC
September	Latin America Carbon Forum	San José, Costa Rica	903	3		LAC				CMI
September	Low Carbon Development e-Course, Fall FY12	Washington DC, United States of America (online)	22	29			G	LED		
September	India Carbon Market Conclave	New Delhi, India	187	1		SAR				CMI
September	South-South Knowledge Sharing: Renewable Energy & Energy Saving Certificates	New Delhi, India	45	1			G	LED		
October	CDM and JI: Navigating the Kyoto Project-Based Mechanisms e-Course, Fall FY12	Washington DC, United States of America (online)	24	29			G			CMI
November	Regional Workshop on CDM: PoA Development	Port of Spain, Trinidad and Tobago	30	1		LAC				CMI
November	CDM Programme of Activities e-Course, Fall FY12	Washington DC, United States of America (online)	30	29			G			CMI
November	Cities and Climate Change e-Course, Fall FY12	Washington DC, United States of America (online)	51	11			G			CCC
November	MAIN Latin America: 2nd Regional Academy	Santiago, Chile	55	4		LAC		LED		
November	Regional Training Workshop on the Economics of REDD+	Panama City, Panama	30	4		LAC		LED		
December	Carbon Finance Capacity Building Workshop - Dar-es-Salaam	Dar es Salaam, Tanzania	50	2	CT					CCC

Annex 1: List of CF-A Events for 2011-12 *continued*

Month	Event	Location	Participants	# of days	Country Training Programs (CT)	Regional Events/Carbon Fora	Global Events/Carbon Expo (G)	Low Emissions Development (LED)	Cities and Climate Change (CCC)	Carbon Market Instruments (CMI)
2012										
February	Global Energy Basel	Basel, Switzerland	275	2		G			CCC	
February	Regional Workshop on Energy Efficiency Planning for Buildings	Vienna, Austria	31	5	ECA			LED		
February	Renewable Energy and Climate Finance in OECS Countries	Cateries, St. Lucia	60	2	LAC			LED		
March	South Asia Region Urbanization Knowledge Platform	Colombo, Sri Lanka	60	5	SAR				CCC	
March	CDM Programme of Activities e-Course, Spring FY12	Washington DC, United States of America (online)	42	12		G			CMI	
March	CDM and JI: Navigating the Kyoto Project-Based Mechanisms e-Course, Spring FY12	Washington DC, United States of America (online)	22	30		G			CMI	
March	Climate Change Training for the Caribbean Development Bank	Bridgetown, Barbados	60	5	LAC			LED		
March	Low Carbon Development e-Course, Spring FY12	Washington DC, United States of America (online)	35	26		G		LED		
March	South- South Exchange Videoconference: Renewable Energy & Energy Savings Certificates	Bangkok, Thailand	5	1	EAP/SAR			LED		
March	South- South Exchange Videoconference: Renewable Energy & Energy Savings Certificates	New Delhi, India	25	1	EAP/SAR			LED		
April	Africa Carbon Forum 2012	Addis Ababa, Ethiopia	800	3	AFR				CMI	
April	Cities and Climate Change Leadership e-Course, Spring FY12	Washington DC, United States of America (online)	41	18		G			CCC	
April	Regional NAMA TA Workshop	Aman, Jordan	125	3	MNA			LED		
TOTAL			6451	187	93	3071	3287	493	558	5400

Annex 2: Distribution of Events and Event Participation (per region and work program)

Regional Distribution of Country Training Programs 2005-10/participants

Region	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Aggregate number	% (Rounded)
AFR	176	741	416	348	116	54	50	1,901	30
EAP	211	497	147	85	114	147	43	1,244	20
ECA	76	361	0	236	142	120	0	935	15
LAC	143	0	110	0	96	0	0	349	6
MENA	0	262	35	0	0	0	0	297	5
SAR	1,163	358	0	0	0	0	0	1,521	24
TOTAL	1,769	2,219	708	669	468	321	93	6,247	100

Regional Events and Carbon Fora 2011-2012

Region	Number of Participants
AFR*	1450
EAP	15
ECA	31
LAC	1188
MNA	125
SAR	262
TOTAL	3,071

AFR*: Two Africa Carbon Fora took place during the reporting period with 650 (year 2011) and 800 (year 2012) participants, respectively. Hence, number of participants has been effected accordingly (please, see annex of 2011 CF-Assist Annual Report for reference).

Global Events / Carbon Expo 2011-12

Event	Number of Participants
Carbon Expo	2,600
HCC Annual Meeting 2011	62
CFCB program at the C40 Sao Paulo Summit	38
South-South Knowledge Sharing: Renewable Energy & Energy Saving Certificates	45
Global Energy Basel	275
Facilitated e-Learning (Aggregate)	267
TOTAL	3,287

Annex 2: Distribution of Events and Event Participation (per region and work program) *continued*

Participants in facilitated e-learning courses 2011-12

e-Course	Number of Participants
CDM/JI Fall 2011	24
CDM/JI Spring 2012	22
PoA Fall 2011	30
PoA Spring 2012	42
LCD Fall 2011	22
LCD Spring 2012	35
Cities & CC Fall 2011	51
Cities & CC Spring 2012	41
TOTAL	267

Event Participation 2005-12 (aggregate numbers for Global/Regional/Country programs/events; and percentages)

	Participants	% (Rounded)
Global Events / Carbon Expo	20,128	53.5
Regional Events & Carbon Fora	11,141	30
Country Training Programs	6,247	16.5
TOTAL	37,516	100

Event Participation 2005-2012 (number of participants per year, and aggregate)

2005-2006	4,106
2006-2007	5,295
2007-2008	5,005
2008-2009	5,848
2009-2010	5,822
2010-2011	4,989
2011-2012	6,451
TOTAL	37,516

Event Participation 2011-2012 per program (Low Emissions Development, Cities and Climate Change, Carbon Market Instruments)

	Participants	%
Low Emissions Development	493	7.5
Cities and Climate Change	558	8.5
Carbon Market Instruments	5400	84
Total	6451	100

Annex 3. Acronyms

List of Acronyms			
AfDB	African Development Bank	JI	Joint Implementation
AFR	Sub-Saharan Africa	LAC	Latin America and the Caribbean (WB)
CFO	Climate Finance Options	LED	Low Emissions Development
CCAP	Clean Air Policy	LCD	Low Carbon Developmemt
CDM	Clean Development Mechanism	MAIN	Mitigation Action Implementation Network
CDB	Caribbean Development Bank	MNA	Middle East and North Africa (WB)
CF-Assist	Carbon Finance Assist	NAMA	Nationally Appropriate Mitigation Actions
CFCB	Climate Finance Capacity Building	NGO	Non-Governmental Organizations
CFU	Carbon Finance Unit	OECD	Organisation for Economic Co-operation and Development
COP	Conference of the Parties	OLADE	Latin American Energy Organization
CDM:PoA	CDM Programme Activities	OECS	Organization of Eastern Caribbean States
CPF	Carbon Partnership Facility	PES	Payment for Environmental Services
CSA	Climate- Smart Agriculture	PIN	Project Idea Note
DNA	Designated National Authority	PoA	Programme of Activities
EAP	East Asia and the Pacific (WB)	PPIAF	Public-Private Infrastructure Advisory Facility
ECA	Europe and Central Asia (WB)	REA	Rural Energy Agency
EE	Energy Efficiency	REDD	Reducing Emissions from Deforestation and Forest Degradation
EFFECT	Energy Forecast Framework and Emission Consensus Tool	SAR	South Asia Region (WB)
ESMAP	Energy Sector Management Assistance Program	PMR	Partnership for Market Readiness
ETS	Emission Trading Scheme	VCS	Voluntary Carbon System
FCPF	Forest Carbon Partnership Facility	TA	Technical Assistance
CTF	Clean Technology Fund	TRACE	Tool for Rapid Assessment of City Energy
FICCI	Federation of Indian Chambers of Commerce and Industry	UN	United Nations
GCF	Green Climate Fund	UNCTAD	United Nations Conference on Trade and Development
GHG	Greenhouse Gas	UNDP	United Nations Development Programme
GDLN	Global Development Learning Network	UNECA	United Nations Economic Commission for Africa
HCC	Host Country Committee	UNEP	United Nations Environment Programme
IADB	Inter-American Development Bank	UNFCCC	United Nations Framework Convention on Climate Change
ICI	International Climate Initiative	UNITAR	United Nations Institute for Training and Research
IETA	International Emissions Trading Association	WBI	World Bank Institute
IFC	International Finance Corporation	WBICC	World Bank Institute Climate Change Practice
LCCD	Low Carbon City Development		

CF-Assist Team



Chandni Dinakaran,
Consultant;
Communications;
Learning Program



Cristiam Rodriguez,
Operations Analyst;
Resource Management



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Term Consultant,
Learning Program



Kai-Uwe Barani Schmidt
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WBICC Team contributing to CF-Assist work



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