

COMESA Climate Change Initiative

“Carbon Readiness”

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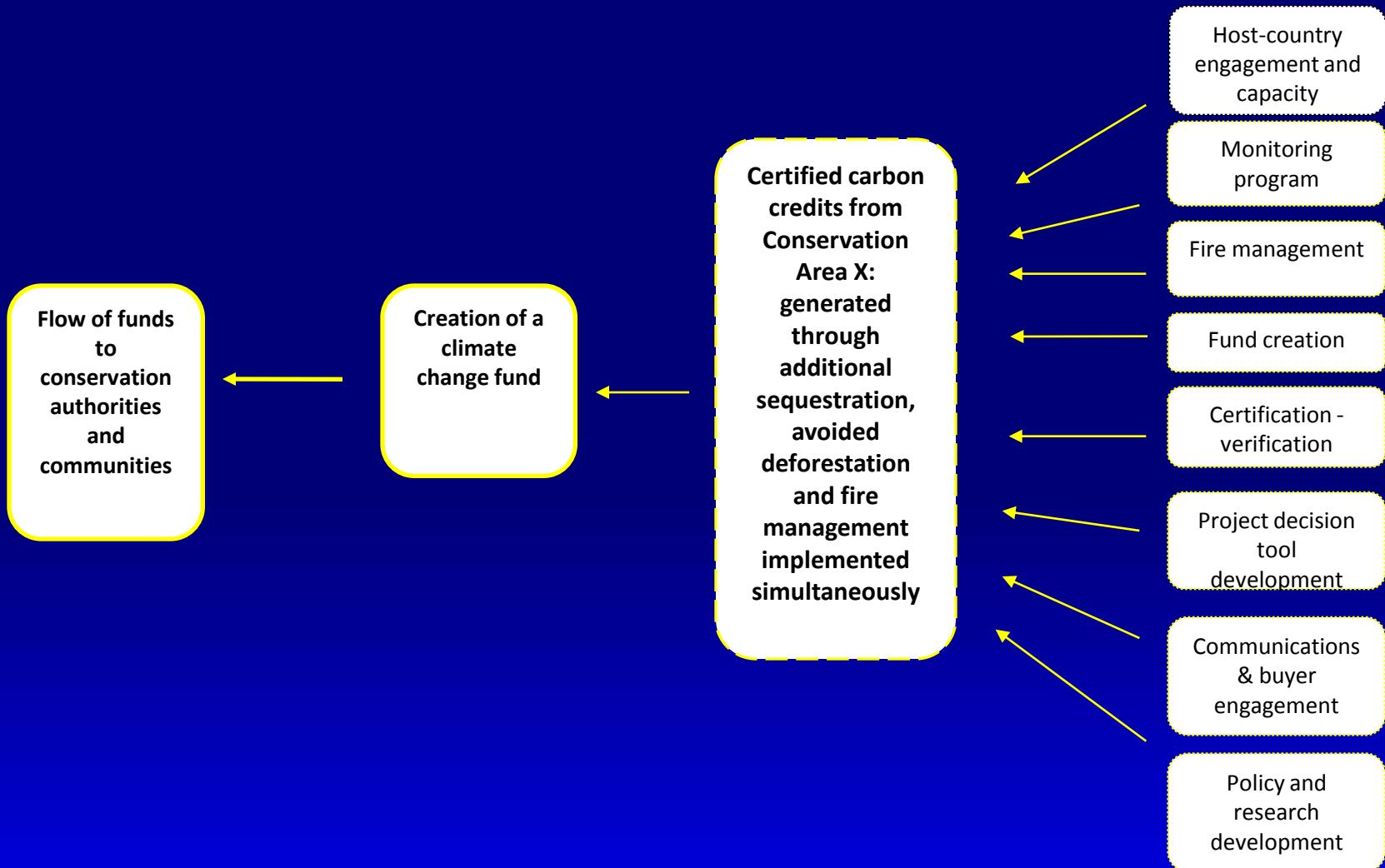
Genesis Analytics & Peace Parks Foundation
Stellenbosch, South Africa



What is “Carbon Readiness”

- Defining Carbon readiness
 - How ready is an entity to take carbon to market?
 - What is still required to take carbon to market?
 - How carbon ready are we?
 - What is required to take carbon to market?
- Key question: Who does it and who pays for it?

Introducing each component - a project process map



Focus on three components of carbon readiness

- Monitoring and Certification
- A climate change mitigation project decision tool
- Policy development and advocacy

What is inhibiting the LULUCF sector in Africa?

- Concerns regarding permanence and leakage
- Lack of clear policies on avoided deforestation (REDD)
- Clarity of land tenure and ownership of natural resources
- High transaction / monitoring costs particularly with small-scale projects
- Knowledge of what to do

Monitoring and Certification: Current status

- Knowledge of the monitoring and certification process is not wide spread
- Particularly in southern Africa, it is expensive relative to income
- Spatial scale is crucial
- Currently a strong inhibitor of small-scale projects
- Avoided deforestation needs to be monitored at a national scale

Monitoring and Certification: Potential solution

- A national scale monitoring and certification facility
- In collaboration with an internationally recognized body - FAO
- Full project life-cycle approach – standing biomass, carbon sequestration potential, fire risk potential
- Needs to be linked to a verification, certification and offset registry service
- Not only GHG but biodiversity and social components as well

Advantages of such an approach:

- Reduced barriers to entry in terms of knowledge, capacity and transaction costs
- Particularly advantageous to avoided deforestation ventures
 - Creating national / regional baselines
 - Quantifying leakage
- Provides capacity for climate change adaptation, rural development, agriculture and ecosystem services planning
- Skill development and job creation through implementation

A climate change mitigation project decision tool:

- Across the land-use sector in southern Africa there is little knowledge of potential offset ventures
- A instrument is needed to efficient disseminate known information
- A “decision tool” aimed at specific sectors could address the current lack of knowledge

Policy development and advocacy

- International climate change negotiations – e.g. defining forests and REDD
- Often crucial in determining demand for carbon offsets
- Local policy and capacity development
- COMESA through its regional political status is in a good position to have influence

What does this mean for the dedicated fund or qualified buyers approach?

- Due to risk, the current state of carbon readiness favors a mutual fund approach
- The fund approach allows resources to be shared thereby reducing transaction costs
- A national scale monitoring process would benefit both approaches

Thank you

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