



**ACAD**

African Carbon Asset Development

# ACAD Facility: Kick-starting the African Carbon Market



**UNEP  
RISO  
CENTRE**



**Standard Bank**  
Also trading as Stanbic Bank



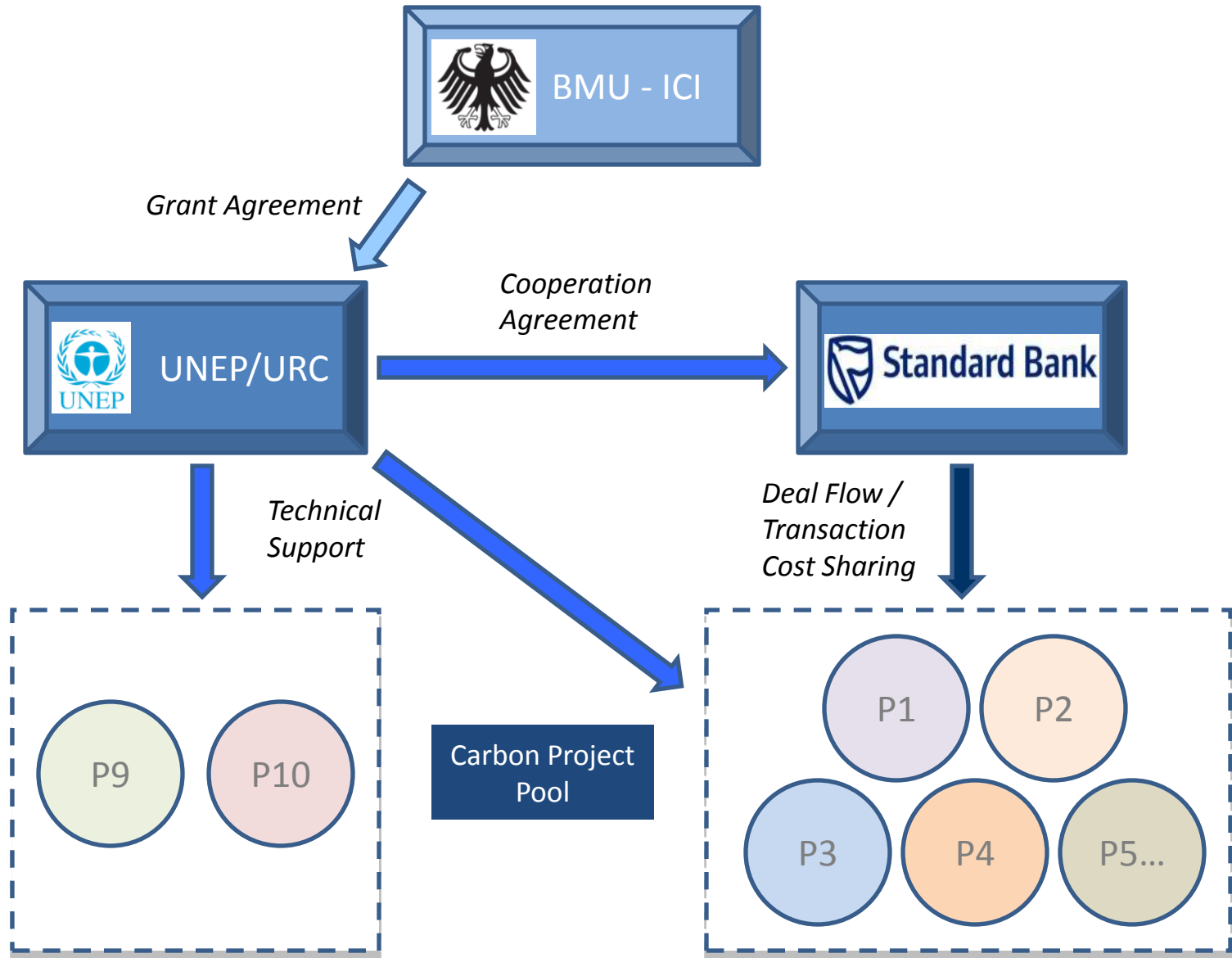
Federal Ministry for the  
Environment, Nature Conservation  
and Nuclear Safety

# Introducing



- Innovative **PPP** for green financing supported by German Government with two aims:
  - Facilitate realization/closure of replicable carbon projects
  - Mainstream carbon investment literacy within African financial sector
- Secretariat embedded in **Standard Bank** following UNEP tender
- **A catalytic platform**
  - Risk sharing model, leveraging private finance with seed capital + TA
- Addresses key barriers to African market growth by:
  - Enhancing transactional capacity within African banks
  - Reducing high early-stage costs and risks
  - Providing a jump-start financing solution
- Launched fall 2009 at UNEP FI Roundtable, Cape Town

# Structure for ACAD Phase I



# Key Activities

- **Transaction cost sharing** with accompanying technical support to leverage closure of 10-12 replicable transactions
  - Roughly €50,000 per project
  - Local financiers, developers, or project proponents can apply
  - Can disburse to service provider of choice and cover CDM documentation development, carbon auditing, registration fees, enviro-legal studies, etc.
- **Enhance knowledge and skills** in origination, financial appraisal, and due diligence amongst African banks
  - Four advanced training workshops for developers and African FIs: Cape Town (Oct. 2009), Nairobi (Mar. & June 2010), Lagos (January 2011). Over 100 bankers trained.
  - Additional in-house clinics and training for Standard Bank & clients
- **Investor outreach/mobilization**
  - 2nd African Bankers' Carbon Finance & Investment Forum, Joburg, Nov. 4 - 5, 2010

# Approved Projects to Date

1. Abule-Egba, Soulos and Epe Project : Consortium incl. Lagos State Waste Management Authority (LWMA), NIGERIA
2. Apa Integrated Waste Management Program, NIGERIA
3. Athi River Mining Kaloleni Cement Plant Fuel Switch/EE project, KENYA
4. Distillery effluent management at EthCo Ltd, MALAWI
5. Energy Efficient Clay Brick Production, SOUTH AFRICA
6. International Ferrometals Waste Gas Cogeneration, SOUTH AFRICA
7. Katene Kadji Biomass Project, MALI
8. Lake Turkana Wind Power Project, KENYA
9. Nuru Lights Projects, RWANDA
10. Oando LPG/Clean Cooking Fuel Rollout, NIGERIA
11. Terem Small Hydropower Project, KENYA

# Example: IFM Cogeneration Project

- Creates 17.1 MW of “autonomous” clean power from captured waste gas (normally flared to CO<sub>2</sub>)
- “Leapfrogging” green technology for Africa
- Ensures security of power and reduces ~200,000 tCO<sub>2</sub> annually plus local air pollutants
- ACAD grant to defray costs of validation and verification by SQS, a carbon auditor



# Current issues/challenges

- **Sustainability plan**
  - Phase I through mid-2011, submitting Phase II co-funding request to BMU
  - Phase II design will adapt to changing market needs: increased emphasis on supporting CDM programs of activities (POA) & investment in LDCs
  - Focus on diversification of funding and more self-sustaining business model
  - ACAD cited as model for soft loan facility for helping underserved markets in CDM Board report (EB 55)
- **Supporting other market transformation initiatives**
  - Supporting methodology development to enhance viability of cross-border power projects (focus on SAPP countries)
  - Creation of an African carbon market directory

# Thank You!

## KEY CONTACTS

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