



Canadian Comments on the June 2012 GEF Work Program

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Dear Secretariat,

Thank you for the opportunity to provide comments on the June 2012 Work Program. Please find below Canada's comments on select projects from the Work Program.

Kind regards,

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**Regional (Africa): Pilot African Climate Technology Finance Center and Network**

**Regional (Europe and Central Asia): Regional Climate Technology Transfer Center**

**Regional (Latin America and Caribbean): Climate Technology Transfer Mechanisms and Networks in Latin America and the Caribbean**

- Canada welcomes the three proposals that focus on the engagement of the private sector through the MDBs, leveraging substantial levels of private investment for climate change mitigation technology. Canada also welcomes the the willingness, expressed in the project documents, for collaboration or cooperation with the future CTCN under the UNFCCC.
  - Canada would like to encourage the GEF regional technology transfer pilot project in the Asia-Pacific, approved May 2011, to also collaborate with the CTCN as appropriate.
- Given that the GEF stands ready to continue to support the operationalization and activities of the CTCN, please provide an update on the resources that would remain available for other climate technology transfer projects (from the set-aside).

**AfDB Public-Private Partnership Platform**

- Canada welcomes the proposal, particularly the extent of private sector involvement in enabling renewable energy production in Africa. We look forward to more details in the final proposal, including on specific private sector activities and the sources of private sector co-financing, which is currently estimated, but largely undefined.

#### **Production of sustainable, renewable biomass-based charcoal for the iron and steel industry in Brazil**

- Canada is concerned with the project's possible overall environmental impact. The proposal does not consider the complete environmental impact of its associated activities, specifically the use of and possible expansion of fast-growing eucalyptus plantations as a source of biomass for charcoal.
  - While it may make sense from a GHG point of view to use eucalyptus-based charcoal instead of sources, does it make sense from the point of view of biodiversity/land degradation/water resources? How many new hectares of land will be converted to eucalyptus plantations, and from what? If the project is successful and takes off, will this not place increased pressure on deforestation?
- The current project proposal, under its Objective 2, appears to include an analysis and impact assessment of biomass-based charcoal as part of the project. The project proposal should include this type of analysis up-front, before the GEF commits to any funding.
  - Given the GEF's obligation to generate global environmental benefits, if this proposal involves trading-off GHG reductions with biodiversity loss, perhaps the GEF is not the appropriate financing mechanism for it.

#### **Establish measurement and verification system for energy efficiency in China**

- Canada welcomes this proposal, and commends China's efforts to reduce energy intensity. Energy certificates trading is an interesting and innovative element in the proposal, and we look forward to seeing how this element of the project is implemented and how this experience may guide other countries in their efforts to increase energy efficiency.
- The level of co-financing envisaged is impressive, and Canada looks forward to seeing additional details on these sources in the final project document.

#### **Peru: Nationally Appropriate Mitigation Actions in the Energy Generation and End-Use Sectors**

- Canada commends Peru for this project proposal, particularly for showing the clear link between Peru's submitted nationally appropriate mitigation actions (NAMAs) under the UNFCCC and this proposal for GEF funding.

#### **India: Partial Risk Sharing Facility for Energy Efficiency**

- Canada welcomes this project, which demonstrates opportunities for innovative use of GEF funds as seed money to leverage private sector lending for energy efficiency. We look forward to seeing how this risk-sharing project is implemented and how this experience may guide other countries in their efforts to increase energy efficiency by using scarce public funds to leverage large levels of private resources.

#### **Indonesia: Third National Communication to the United Nations Framework Convention on Climate**

## Change

- Canada thanks Indonesia for its proposal and for the substantive efforts it is making to conduct its third National Communication under the UNFCCC, together with its first biennial update report.
- We are concerned, however, at the expanding amounts of resources that are being channelled into reporting activities in general. In the Indonesia project, for example, the country's second National Communication was developed at a cost of \$428,000, while this project proposal amounts to a total of \$25.5 million, representing an increase of 5858%. Canada would like to gain a better understanding of the reasons for this increase.
- Canada would also like to gain a better understanding of how these resources will enable the establishment and maintenance of permanent national teams and in-country MRV systems, as these will be critical to achieving the more comprehensive and frequent reporting that is now required as a result of decisions adopted in Durban.
- Key questions are therefore: How will these resources ensure nationally-owned monitoring, reporting and verification processes? How will they build national capacity and sustain ongoing needs in the future? If consultants are to assist countries with the reporting exercise, how will countries ensure that necessary knowledge transfer, training and capacity building takes place in order to enable the establishment of permanent in-country MRV systems?

## Azerbaijan: Initiation of the HCFCs Phase out and Promotion of HFCs-Free Energy Efficient Refrigeration and Air-Conditioning Systems

- The proposal indicates that the country consumes 18.95 ODPt of HCFCs, with that estimate established through field visits. Please confirm that the project's objective is to phase out the entire amount of HCFCs.
- Of note, due to institutional difficulties, only a small portion of HCFCs imported have previously been identified and, therefore, the latest country's reported HCFC consumption under the Montreal Protocol is only 0.3 ODPt. On the basis of its official consumption, the country would only require a much smaller project to comply with the 2020 99.5% reduction because its reported baseline consumption is 14.9 ODPt – so "officially" it has already achieved a 98% reduction. However, accepting that the official consumption is significantly under estimated, the GEF's approval of the phase-out project should be contingent on Azerbaijan reporting its real consumption from now on and, to the extent possible, the country revising the data that was underestimated in previous years.
- Of the \$2M requested for phase-out projects, there is no breakdown indicating how much would be used for the: (a) phase-out of HCFC-141b in foams; (b) phase-out of HCFC-22 in refrigeration manufacturing; and (c) phase-out of HCFC-22 refrigeration servicing. In fact, no specific projects as such are presented for these sectors. For the manufacturing sector, it is not clear to what technologies the enterprises will be converted to, and consequently what the capital and operating costs are expected to be; rather some potential technologies have been identified. In the servicing sector, we could not find a description of the activities that will be funded. Please clarify how the \$2M figure was selected.
  - Given that the technologies in the manufacturing sector are not determined in the project proposal, it is not possible for the GEF to know whether the desire expressed in the proposal to avoid high-GWP HFC technology will in fact materialize. Please comment.

## General comment on "POPs" section of work program

- We note that the work program continues to reference a POPs focal area (and sometimes an Ozone Focal Area, or a Sound Chemicals Management and Mercury Pilot Focal area), instead of the Chemicals Focal

Area. This should be corrected.

- Canada is pleased to see more Chemicals Focal Area projects presented in the work program. We are particularly glad to see countries starting to focus on actions required to implement the Stockholm Convention, and we welcome the first mercury full size project and look forward to seeing more mercury projects.