Carbon Initiative for Development
The Carbon Initiative for Development (Ci-Dev) mobilizes private finance for clean energy access in low-income countries. It delivers results-based finance to innovative and transformative business models driven by the private sector.

By 2025, Ci-Dev will have mobilized more than $250 million in private finance to provide low-carbon energy to more than 10 million people in the communities most vulnerable to climate change.
Increasing energy access
Ci-Dev provides financing for projects that support low-carbon energy access in low-income countries in collaboration with other parts of the World Bank Group.

Piloting innovative results-based climate finance
Ci-Dev uses results-based payments as a vehicle for financing energy access projects building on two decades of carbon finance experience of the World Bank Group.

New Standardized Crediting Framework
Building on the infrastructure that was created by the Clean Development Mechanism (CDM), Ci-Dev developed a new, simplified approach to crediting emissions reductions - the Standardized Crediting Framework (SCF).
Ci-Dev has committed to purchase approximately $78 million in emission reductions (commonly known as carbon credits) from 13 energy access programs. Ci-Dev’s programmatic crediting approach supports similar projects at small-scale within a larger regional or national program.

The fund will utilize the Clean Development Mechanism (CDM) as the methodological framework to quantify, verify and certify the emission reductions while transitioning the portfolio to Paris Agreement-compliant approaches after 2020. The projects supported by Ci-Dev through the programmatic crediting approach can be a blueprint for scaled-up action through replication.

Results-based Climate Finance

- *$250+ million* in private finance
- *10+ million* people provided with low-carbon energy

by 2025
In addition to 8 million tons of CO2 equivalent reduced, Ci-Dev programs will have provided about 400+ Megawatts of low-carbon energy by 2025.

For a community this means:

**Gender**
Enhanced security, more educational opportunities for women and girls

**Economic**
New commercial activity from longer business hours, more jobs, entrepreneurship

**Environment**
Reduced air pollution from less kerosene and diesel lights; support for healthy forests from less wood fuel

**Health**
Reduction in illness and death from household air pollution; secure storage and transport for medicine and food

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CarbonPlus benefits

In addition to 8 million tons of CO2 equivalent reduced, Ci-Dev programs will have provided about 400+ Megawatts of low-carbon energy by 2025.

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**Gender**
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**Economic**
New commercial activity from longer business hours, more jobs, entrepreneurship

**Environment**
Reduced air pollution from less kerosene and diesel lights; support for healthy forests from less wood fuel

**Health**
Reduction in illness and death from household air pollution; secure storage and transport for medicine and food
Standardized Crediting Framework

Ci-Dev has developed a new simplified approach to crediting emissions reductions. The Standardized Crediting Framework (SCF) provides a country-led crediting approach adapted to domestic circumstances, reduces transaction costs, and potentially unlocks climate finance for the country.

The adoption of the Paris Agreement in December 2015 has raised hopes for carbon market continuity beyond 2020. However, important strategic questions linger including how CDM programs will continue and/or transition to new Paris-compliant approaches, how carbon market mechanisms will be structured in future, and others.

Ci-Dev seeks to help address these questions – including how CDM projects can transition to the Paris Agreement framework and how new market mechanisms can be adapted.

The Standardized Crediting Framework (SCF) is a new approach to crediting emission reductions, owned and managed by the country, which allows for more comprehensive geographic coverage, flexibility, has lower transaction costs, and encourages private sector engagement.

The Standardized Crediting Framework provides a host country-led approach to carbon crediting that simplifies scaling-up and replication of project activities within defined sectors of the economy-starting with energy access.

The adoption of the Paris Agreement in December 2015 has raised hopes for carbon market continuity beyond 2020. The Standardized Crediting Framework is important for several reasons. First, the framework proposes a systematic approach to counting carbon credits. Second, making things simple and standardized helps improve transparency of the carbon market and reduce transaction costs. Finally, country-owned and managed frameworks like SCF help build capacity of host country institutions, improve coordination among domestic entities, and help align climate change policy goals with the sectoral ones. As such the framework directly benefits a country’s Nationally Determined Contribution (NDC) under the Paris Agreement.
The Standardized Crediting Framework approach provides:

- more comprehensive geographic coverage
- flexibility
- lower transaction costs
- encouragement for private sector engagement
- the opportunity to make use of future market mechanisms
Ci-Dev has emission reduction purchase agreements (ERPAs) for 13 programs (12 in Sub-Saharan Africa and 1 in Asia)

**Rural Electrification**
- **Senegal**: Biogas, Off-Grid Renewable Energy
- **West Africa**: Biogas
- **Mali**: Rural Electrification
- **Kenya**: Solar Lighting
- **Uganda**: Rural Electrification
- **Rwanda**: Clean and Improved Cooking
- **Madagascar**: Ethanol Cookstoves

**Clean and Improved Cooking**
- **Lao People’s Democratic Republic**: Clean and Improved Cooking
- **Ethiopia**: Biogas
- **Ethiopia**: Off-Grid Renewable Energy
- **Kenya**: Biogas
- **Kenya**: Solar Lighting
- **Uganda**: Rural Electrification
- **Rwanda**: Clean and Improved Cooking
- **Rwanda**: Clean and Improved Cooking
- **Madagascar**: Ethanol Cookstoves

**Biogas**
- **Kenya**: Biogas
- **Rwanda**: Biogas
- **Uganda**: Biogas
- **Madagascar**: Biogas

**Off-Grid Renewable Energy**
- **Kenya**: Off-Grid Renewable Energy
- **Uganda**: Off-Grid Renewable Energy

**Ethanol Cookstoves**
- **Madagascar**: Ethanol Cookstoves

**Program Currently Inactive**
- **Burkina Faso**: through end 2024.
- **Kenya**: through end 2023.
- **Uganda**: through end 2024.

Certified emission reductions (CERs) to be generated through end 2024.
Senegal’s rural electrification program uses a concession-based model where private companies compete for and win the right to sell, install, and maintain new electricity connections to rural households in one or more of 10 regional ‘concessions’, during a period of 25 years.

To facilitate electricity access for poor rural households, the rural electrification agency in Senegal (ASER) has decided to use the program’s carbon payments to overcome financial access barriers. For this purpose, the project uses an innovative voucher scheme, and each voucher can be redeemed by the household to the private concessionaire in their territory for the service level and connection technology that best fits their needs. The concessionaire then installs the new connection and redeems the voucher with ASER for compensation. This subsidy is ultimately paid for by Ci-Dev for the generated emission reductions.

This EPPA committed Ci-Dev to purchase 660,000 certified emission reductions (CERs) generated through end 2024 from the rural electrification program. The program with the Rural Electrification Agency in Senegal is the site of the first Standardized Crediting Framework pilot.

The program with the Rural Electrification Agency in Senegal is the site of the first Standardized Crediting Framework pilot.

*Program Currently Inactive
The company aims to lease or distribute about 345,000 clean cookstoves (of tier 4 quality) to approximately 188,000 Rwandan families to generate demand for its biomass fuel pellets. It collects sustainably-sourced raw biomass from rural households to manufacture the biomass fuel pellets, which it sells to urban and peri-urban households that currently purchase charcoal. The sale of carbon credits generated by the program will allow the biomass fuel pellets to be sold at a price less than charcoal until Inyenyeri can scale up to the point where it can decrease costs, undercut charcoal, and still maintain a commercially-viable profit margin.

Inyenyeri has used the Ci-Dev Emission Reduction Purchase Agreement (ERPA) to secure up-front debt and equity financing, including a loan from Althelia Ecosphere.

The program with the Rwanda Environment Management Authority is the second Standardized Crediting Framework pilot.

Rwanda Improved Cookstoves Program*

Ci-Dev is helping a private company – Inyenyeri – to sell its biomass fuel pellets as a loss leader until it can set up and run its operations in a commercially-sustainable manner. Inyenyeri produces sustainably sourced wood pellets, that when paired with the cleanest available biomass cookstove, reduces the amount of wood used for cooking by 80-90% compared to traditional cooking methods.

*Program Currently inactive
Knowledge Generation

One of the main objectives for Ci-Dev is to distill and disseminate lessons learned from its work to inspire further scaling and replication. In particular, Ci-Dev has developed expertise and knowledge related to carbon crediting methodology, the fund’s portfolio of low-carbon energy access programs in low-income countries, and results-based finance barriers and approaches.
Carbon crediting methodology

Ci-Dev has developed new methodologies, standardized approaches and business models that will help countries transition to the post-2020 regulatory environment under the Paris Agreement.

- A Standardized Crediting Framework for Scaling up Energy Access Programs
- Roadmap for the Standardized Crediting Framework Pilot in Senegal & Rwanda
- Lessons Learned Note for the Standardized Crediting Framework Pilot in Senegal & Rwanda

Energy access programs

The fund’s pipeline of energy access programs has generated tangible knowledge to show how results-based climate finance contributes to success in the sector. This work can inform energy access practitioners and development professionals.

- Scalable Business Models for Alternative Biomass Cooking Fuels and Their Potential in Sub-Saharan Africa
- Post-2020 Ci-Dev Portfolio Transition Report
- The Impact of INDCs, NAMAs and LEDS on Ci-Dev Operations and Programs
- Ci-Dev CDM MRV Study: Facilitating Credit Issuance by Improving the MRV Procedures and Issuance Rules of the CDM

Climate finance for energy access

Ci-Dev’s experience provides knowledge on financial models and financial barriers related to its programs, as well as work on results-based finance approaches for energy access activities.

- A New Approach for Pre-Financing Emission Reduction Purchase Agreements for Household Energy Access Programs
- Promoting Energy Access through Results-Based Finance within the Framework of the CDM: Assessing Business Models
- Integrating Carbon Finance in Traditional Financing - Key Barriers and Existing Experiences
The Climate Change Fund Management Unit (SCFFM) connects the World Bank and developing countries to innovative funding solutions to scale up climate action. The unit manages climate finance funds that complement funding from International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD). These funds bring together more than $6 billion of donor funding and private sector capital to support low-carbon programs across 70+ countries.

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