

UK CLIMATE CHANGE PROJECTS OFFICE

WORKSHOP: REVIEW OF UK CLIMATE CHANGE PROJECTS OFFICE – BACKGROUND DISCUSSION PAPER

Introduction

Government is currently undertaking a review of the role of the UK Climate Change Projects Office (CCPO). This discussion paper seeks stakeholder views, will be the basis of a workshop to be held in January 2008 and will form an important part of the review. Stakeholders are invited to do one or more of the following:

- attend a workshop based on the contents of this paper. The workshop will take place on 16 January 2008 at the BERR conference centre, 1 Victoria St, London, SW1E 0EH. (Draft Agenda at Annex A)
- submit written comments based on the questions below;
- submit general written comments;

Background

The CCPO was founded in 2001 and is jointly funded by the Department for Business, Enterprise and Regulatory Reform (BERR) and the Department for Environment, Food and Rural Affairs (Defra). It is a Government advisory office set up to assist UK businesses who wish to pursue opportunities arising from the Kyoto Protocol. It provides advice and support for projects which reduce greenhouse gas emissions and which could be eligible for tradeable emission reduction credits with particular focus on the regulated markets and not the voluntary market.

Initially CCPO activity concentrated on awareness-raising via a dedicated website and a series of simple business guides describing the Kyoto mechanisms. Recently, CCPO has moved more resources to trade promotion activities in major Clean Development Mechanism (CDM) host countries and inward missions from overseas project owners looking for investors. The office works in partnership with the UK's lead trade promotion organisation, UK Trade and Investment (UKTI) to deliver these missions. You can find a list of CCPO trade missions in Annex B.

Since CCPO's creation in 2001, UK climate change policy has evolved and much has changed for companies involved in climate change. Government is therefore undertaking a review of CCPO's role in order to ensure it remains well-targeted and helps to maintain the UK private sector's ability to optimise CDM opportunities and thus maintain the UK's lead market share in climate change project credits origination and trading. The terms of reference for the review appear at Annex C.

Document structure

The sections below address various aspects of CCPO's activities and invite comments. The general structure is:

- Sections 1-5 describe current and/or past practice (CCPO activities, UK industry capability, CCPO links with business, priority markets, capacity building)
- Section 6 summarises proposed future activities for CCPO
- Section 7 sets out a series of questions where stakeholder views would be particularly welcome
- Section 8 sets out the next steps, including details of the stakeholder workshop

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Section 1: CCPO's current activities

In 2004 the CCPO's Advisory Board (currently dormant) set out the office's aims and activities as follows:

“To help UK business engage in the Kyoto project-based mechanisms of Joint Implementation, the Clean Development Mechanism and International Emissions Trading (IET) and to provide general advice on the mechanisms and other opportunities for project development and execution by:

1. Providing technical and policy advice in assessing UK-hosted JI projects and overseas JI/CDM projects involving UK investors.
2. Providing practical advice and support to help UK business capitalise on wider commercial opportunities.
3. Promoting awareness among business and acting as a first-stop shop for UK business interested in carrying out JI/CDM projects and IET.
4. Developing and maintaining effective working relationships with the appropriate UK and international bodies.”

These activities have evolved slightly for several reasons, including the fact that the UK does not currently host JI projects, and that more CCPO resource has shifted to running trade missions (see below).

TRADE MISSIONS - since November 2004, the CCPO has organised 14 outward trade missions visiting 18 countries (see Annex A for a full list). These trade missions have proved to be very popular with companies involved in the climate change business. 50 companies have participated in these missions so far, many of which have also attended subsequent missions. CCPO has also hosted inward missions involving companies from Chile, Brazil, Egypt and India. CCPO does not charge companies to take part in trade missions, but individual companies sometimes make use of the local UKTI office expertise alongside a trade mission to tailor individual programmes and obtain additional local contacts and market information. There are charges for some of these additional services through the Overseas Mission Introduction Service, run by UKTI.¹

Destinations - the destinations for the outward trade missions have been chosen based on a high level analysis of all non-Annex I countries. The factors considered in the analysis included absolute and per capita greenhouse gas emissions, projected economic growth, energy efficiency (i.e. carbon emissions per unit of Gross Domestic Product) financial, political and technological infrastructure, and the presence and performance of an active Designated National Authority (DNA). Data sources included the United Nations Framework Convention on Climate Change (UNFCCC), the Central Intelligence Agency World Year Book, the World Resources Institute, the Intergovernmental Panel on Climate Change, the International Energy Agency, the Organisation for Economic Co-operation and Development and the World Bank.

¹ See www.uktradeinvest.gov.uk

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As was expected the analysis confirmed the importance of China, India, Brazil, South Africa, Mexico and South Korea. The CCPO has run trade missions to all of these countries. The analysis also gave substance to plans to visit smaller markets in South America and Asia, and confirmation of the scarcity of real CDM opportunities in Africa outside the few more industrialised economies.

Results - It is difficult to quantify the success of the missions but the feedback has been very positive both from the UK participants and local government officials and companies. It is clear that in many countries that CCPO visited for the first time, the trade mission has been the catalyst for subsequent partnerships between UK participants and local companies. A recent example of such a partnership is the pairing of the UK registered company CantorCO2e, a leading international environmental brokerage and advisory company, with Brazilian green car developer Obvio! In March this year, a year to the day after the CCPO mission to Brazil where the companies were introduced, they signed an agreement whereby part of the cars' sale price will go to a carbon offset fund managed by CantorCO2e.

Sample feedback from the CCPO mission to Central America in September 2007 includes the following results:

- Costa Rica - 95% of responses to the question 'Do you have any intention of doing business with any of the British companies involved?' were positive (20 out of 21).
- Colombia - a telephone follow-up survey gave a 90.5% positive response to the question 'do you think that there is a perspective of carrying out a prospective business with one of the Mission companies. (21 companies surveyed).

Generally, the growth in the UK's market share of traded CDM project credits has been dramatic, from 15 % in 2004 to 50% in 2006². This is valued at approximately £1.25 billion.

BUSINESS ADVICE

Business guides - the CCPO has published a series of business guides:

- i - A Business Guide to Climate Change Projects
- ii - JI and CDM processes explained
- iii - Beginners guide to CDM
- iv - Beginners guide to JI
- v - Beginners guide to baselines and additionality
- vi - Linking Directive
- vii - Carbon Prices
- viii - Transaction costs and viability
- ix - Small scale projects
- x - Stakeholder consultation in CDM

These guides are available on the CCPO website and can be requested in hard copy from CCPO. The brochures are updated periodically and are currently being re-

² The World Bank - State and Trends of the Carbon Market 2007

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printed for the 2007-2008 editions. Since 2004 when the guides were first published, almost 25 000 have been distributed.

CCPO Enquiries – CCPO operates an enquiry service for climate change projects and business-related questions through a dedicated email address (ccpo.enquiries@berr.gsi.gov.uk). General enquiries are dealt with by phone or email, and companies with detailed queries can book an appointment with our Principal Projects Advisor. The numbers of enquiries concerning the CDM have reduced as businesses become more experienced in dealing with the Kyoto mechanisms, and enquiries have become more specific. Current levels of enquiries amount to c.10-20 detailed queries/meetings a month.

The technical advice provided by CCPO has been sourced largely through industry secondees – secondees have either been funded by industry, or contracted to CCPO directly.

OTHER

CCPO has many other activities, some of which are explained in more detail below, e.g. capacity building, work with the Lord Mayor in promoting London as the global centre for trading emissions.

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Section 2: UK industry capability

In terms of market share, the UK private sector companies are the most successful participants in the international carbon market. The World Bank's State of the Carbon Market Report in May 2007 showed the UK's primary CDM and JI buyers had a 50% share of the market in 2006, up from 15% in 2005. While many successful companies in the sector do not have their headquarters in the UK, most, particularly in the financial sector, are registered in the UK and base their carbon market activities in the UK. 80% of all emissions trading takes place in the UK, resulting in London being the main centre for emissions trading worldwide.

The main companies that CCPO has dealt with in the past are in the service sector: carbon fund managers, carbon brokers and traders, validators, lawyers, banks and climate change consultants. But there are a number of technology providers and project developers who provide a complete range of services from project origination to the purchase of carbon credits. UK companies were at the forefront of the development of the International Emissions Trading Association (IETA) (an independent, non-profit organization dedicated to the establishment of effective systems for trading in greenhouse gas emissions by businesses, based in Geneva) and the Carbon Markets Association (CMA) (a trade association representing service providers to the Global Carbon Market.) These organisations, as well as others such as the World Business Council for Sustainable Development and the International Climate Investor Services represent UK companies (and those from other countries) and undertake various activities including conference organisation and policy lobbying.

The financial infrastructure in the City has had a huge effect on the success of UK companies in climate change, but they have also benefited from the early mover advantage gained through the development of the UK Emissions Trading Scheme (ETS) and the input to the EU ETS. The competitive nature of the business also gives them an advantage over the more risk-averse government and institutional buyers.

The most obvious weakness is the cost of some services such as those offered by consultancy and validation companies, who cannot compete with the fee rates offered by local service providers. Initially, language skills, particularly Mandarin and Spanish were a barrier but these have been overcome by the expansion into key countries and the recruitment of local personnel.

In summary, the UK private sector is well positioned at the moment but as the international emissions trading market grows, they will need to adapt to a changing market, both to respond to growing demand for emissions trading expertise, and also to respond to a growing supply of companies with an interest. Whilst a larger international market might pose a risk to the percentage of the UK's market share, in absolute terms, the value of the UK's market share would have the opportunity to grow.

Further Background Information: "Emissions Trading and the City of London"
http://www.cityoflondon.gov.uk/Corporation/living_environment/sustainability/climate_change/emissions_trading.htm

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Section 3: Links with business & City of London

CCPO was established to be the UK government's primary interface with businesses participating in new climate change markets. It has interacted with UK companies from all the sectors listed in Section 2 above. UK Trade and Investment (UKTI) is the UK's lead trade promotion organisation and CCPO works closely with UKTI on many of the activities it undertakes.

CCPO interaction with UK companies has taken place in a number of ways:

- Inward secondments from industry – CCPO has funded and hosted a number of secondees, up to three at one time, from a variety of companies. Secondees have played key roles and have, for example, provided technical advice and delivered the programme of CCPO Trade missions. CCPO currently has one industry secondee.
- Close liaison with trade associations, e.g. Carbon Markets Association, IETA, ICIS and other emerging groups.
- CCPO Enquiries mailbox and subsequent written advice to companies (see Section 1 above for further details): an estimated average of five enquiries a week
- One-to-one advice sessions (usually with a CCPO industry secondee) for technical advice (included in five per week figure above)
- Trade missions
- Presence at exhibitions/events, e.g. Carbon Forums
- Articles in general media/specialist trade press
- CCPO Advisory Board (currently dormant group of industry and government representatives set up to steer the activities of the CCPO)
- Carbon Finance Working Group – CCPO has been represented on this joint government-industry group
- Power Sector and Environment Sector Advisory Groups – CCPO has been represented on these UKTI –led industry groups that advise government
- Support for the Lord Mayor of London who promotes the City and the importance of carbon trading to the City.

Other governments, e.g. Austria, have carbon procurement policies in order to meet their targets under the Kyoto protocol (the UK will meet its target without buying carbon credits) and have internal governmental organisations to fulfil the carbon procurement function. There is however currently no direct equivalent to the CCPO³ – a fact which serves to highlight UK government support for active UK industry participation in the carbon market and related business activities to combat climate change. A recent example was the CCPO presence at the 2007 Carbon Forum Asia in Singapore where the UK, Austria, the European Commission, Japan (through the Japan Bank for International Cooperation) and the United Nations were the only governmental organisations represented.

³ The Canadian government used to have a similar body to promote government interest in the Kyoto mechanisms, but not industry participation.

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QUESTIONS

Business Contact with CCPO

1. Have you had contact with CCPO in the past?
2. If so, was it for advice, trade missions, both or other?
3. Which services have been the most useful?
4. Can you foresee attending a trade mission in the future?
5. Have you made use of technical advice from CCPO in the past?
6. Can you foresee making use of CCPO technical advice in the future?
7. Do you value the availability of technical advice from the CCPO?
8. Do you think the CCPO should use industry secondees to provide technical advice?
9. Do you have a view on whether industry should fund any secondee(s) providing technical advice?
10. Have you used CCPO business guides in the past?
11. Would you like CCPO to continue publishing business guides?
12. In your opinion, are there other services CCPO could usefully provide?
13. How could CCPO become a more effective voice for business?
14. Would you like CCPO to hold a stakeholder event annually/more frequently to facilitate feeding in industry views?

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Section 4: Priority markets

Markets - CDM markets are maturing at different rates in different countries. There are now some places where CCPO has taken several trade missions and UK companies have large shares of the CDM market, e.g. China, India. There are other countries with emerging markets where there are known CDM opportunities, and where CCPO provides valuable assistance with companies wishing to invest in them, e.g. Latin America, Africa, Western Asia.

Trade missions – The format of a trade mission largely depends on the level of local knowledge of the CDM market. Initial trade missions to countries have taken the format of a seminar followed by one-to-one business meetings. However, on a follow-up trade mission to Chongqing and Guangzhou in China, the existing high level of local knowledge meant that a round table discussion was more appropriate than a formal seminar.

UK presence - Another factor for consideration is the presence of UK companies in developing (non-Annex I) countries. Where UK companies have opened offices and employ local staff in the mature CDM markets the CCPO is likely to add less value.

OPTIONS

1. CCPO work focuses on mature markets where there are clearly already opportunities for UK companies
2. CCPO work focuses only on emerging markets where UK firms are more likely to benefit from government support
3. CCPO work focuses on a combination of mature and emerging markets with a focus on emerging markets in order to add value for companies seeking new business opportunities.

PROPOSAL

CCPO's work should be balanced between mature and emerging markets, with a focus on how to add value in places where UK companies find it more difficult to do business without additional support. Such places can be identified based on a relative lack of CDM projects, and also on the number of industry requests for information and support. Where markets are mature, trade missions should engage local business and where possible government representatives in interactive discussion rather than focussing on presentations designed to raise awareness. In all cases, CCPO missions should show how UK businesses can use their experience and expertise to benefit local partners, using practical examples. CCPO should consider trade missions or other activities in the following countries/areas in 2008/2009: Western Asia, Africa, Gulf States, Russia, Eastern Europe (Romania, Bulgaria, Ukraine).

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QUESTIONS

Markets

15. Do you agree with the suggested balance between mature and emerging markets?
If not, please give your reasons.

16. Do you wish to suggest markets that you feel CCPO should focus on in the future?

17. Do you have comments on the suggested destinations for trade missions or other activities?

18. How can trade missions seek greater participation from all players in the carbon market?

Section 5: Capacity building work

What is Capacity Building? In order for UK companies to successfully do business abroad, including involvement in the Kyoto mechanisms, the infrastructure and local capacity need to be in place. For CDM projects, this includes having a Designated National Authority (DNA) established; and a DNA with the experience to make doing business in that country attractive. A developed financial infrastructure also makes a country more attractive for UK companies. Many developing (non-Annex I) countries have both the infrastructure and experience described above, but there are still some countries without DNAs and some who lack experience or resources in order to facilitate UK business activity. Capacity building can involve sharing expertise, or allocating resources to the development of infrastructure and skills in developing (non-Annex I) countries, and is often referred to when discussing Africa and other Low Income Countries.

UK current capacity building - the UK's current capacity building activities relating to climate change and the Clean Development Mechanism are undertaken multilaterally

- The UK government's recent White Paper on International Development committed us to working through the multilateral development banks to help developing countries to access low carbon energy and help developing countries participate in and benefit from carbon trading mechanisms under the Kyoto Protocol such as the CDM.
- The UK government has committed significant grant technical assistance to the World Bank and regional development banks for implementation of their Energy Investment Frameworks. For example, support has been offered to the African Development Bank to assist with implementing its Clean Energy and Development Investment Framework once this has been approved by the Bank's Board. This Framework includes plans for a CDM facility to support the African Development Bank's member countries access CDM programmes.
- The UK has also contributed \$30 million to the \$120 million Investment Climate Facility focussed purely on improving the climate for investment and doing business in Africa, which is acknowledged as one of the barriers to the development of the CDM in Africa.
- The UK government provided support to the Inter American Development Bank and the Asian Development Bank to assist with the implementation of their Clean Energy Investment Framework initiatives, which both include a carbon markets/CDM component.
- The UK will also be supporting the UN's "Nairobi Framework" to assist low income countries, particularly in Africa, to participate in the CDM. The UK government will be playing its part by linking London-based carbon market experts with those developing projects in Africa.

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- Through the Foreign and Commonwealth Office's Global Opportunities Fund, we fund projects across the world offering strategic support, capacity building, assistance to methodology development and market development particularly for the Clean Development Mechanism.
- The UK is the main funder of REEEP, the Renewable Energy and Energy Efficiency Partnership, an international NGO that works to develop better market conditions for clean energy. REEEP is active globally, including in South Africa where part of its work has focused on assisting projects in accessing sources of carbon finance such as the CDM.
- The UK's Department for International Development (DFID) sponsored a report by ICF International analysing activities implemented under the Nairobi Framework in Sub-Saharan Africa, evaluating coordination between the multilateral agencies, the gaps and overlaps in their activities, and provides recommendations to the agencies and donors.

CCPO capacity building - the CCPO has not undertaken capacity building work as a core strand of its activities in the past. However, sharing expertise on trade missions, such as describing how best to undertake partnerships between companies and DNAs, has been integral to CCPO mission success. UK companies are able to suggest ways of working that facilitate future partnerships.

OPTIONS

1. Business As Usual - continue with occasional minor capacity building activities.
2. CCPO undertakes capacity building as part of general activities, e.g. within trade missions
3. CCPO undertakes capacity building as a separate activity, e.g. running seminars with African DNAs
4. CCPO increases current capacity building activities but with a particular focus on activities involving business, whether trade missions or otherwise.
5. CCPO strengthens links with existing UK government capacity building activities (particularly Defra and DFID-led)
6. CCPO focuses on encouraging the UK private sector to help with capacity building with the private sector in developing countries

PROPOSAL

CCPO should identify further opportunities to extend capacity building activities on trade missions and elsewhere, e.g. to improve the process of identification and implementation of CDM projects in CDM host countries. This in turn will make these countries more attractive to UK private sector companies. Africa should be the primary focus of this activity but not the exclusive target, and all activities should be linked with existing UK government capacity building activities.

QUESTIONS

Capacity building

19. Do you have suggested capacity building activities for CCPO to undertake?
20. Do you agree CCPO can add value by working on capacity building?

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Section 6: Proposed CCPO future activities

This section summarises proposals made in sections above, and gives an overarching view of proposed activities for CCPO in the future.

1. CCPO should continue to provide advice to business on climate change issues including the Kyoto mechanisms (Clean Development Mechanism, Joint Implementation, and International Emissions Trading).
2. Inward and outward trade missions should continue as a core CCPO activity
3. CCPO should continue to have close links to business in a variety of ways; and reinforce this contact in order to be the government's 'voice for business' as set out when BERR was founded in summer 2007. Contact should be with both individual companies and with trade associations, e.g. CCPO should undertake awareness-raising activities with the UK private sector to highlight the threats and opportunities resulting from the response to climate change.
4. CCPO should maintain close links with the Lord Mayor and the Corporation of London.
5. CCPO's work should be balanced between **mature and emerging markets**, with a focus on how to add value in places where UK companies find it more difficult to do business without additional support. Where markets are mature, trade missions should engage local business in interactive discussion rather than focussing on presentations. CCPO should consider trade missions or other activities in the following countries/areas in 2008/2009: Western Asia, Africa, Gulf States, Russia, Eastern Europe (Romania, Bulgaria, Ukraine).
6. CCPO should identify further opportunities to extend **capacity building** activities on trade missions and elsewhere, e.g. to improve the process of identification and implementation of CDM projects in CDM host countries. This in turn will make these countries more attractive to UK private sector companies. Africa should be the primary focus of this activity but not the exclusive target, and all activities should be linked with existing UK government capacity building activities.

(N.B. Final decisions on the extent of CCPO activities will be made in the context of wider spending and resource decisions.)

QUESTIONS

Proposed CCPO Activities

21. Do you agree with the proposed activities? If not, which ones would you change?
22. Please put the following three proposed CCPO activities in order of importance for your organisation: A - Trade Missions, B - Business Advice, C - Capacity Building.

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Section 7: Questions for discussion

The questions below bring together those posed throughout the paper. Stakeholders are welcome to comment on other aspects of the paper and CCPO activities instead or in addition to these questions.

Business Contact with CCPO

1. Have you had contact with CCPO in the past?
2. If so, was it for advice, trade missions, both or other?
3. Which services have been the most useful?
4. Can you foresee attending a trade mission in the future?
5. Have you made use of technical advice from CCPO in the past?
6. Can you foresee making use of CCPO technical advice in the future?
7. Do you value the availability of technical advice from the CCPO?
8. Do you think the CCPO should use industry secondees to provide technical advice?
9. Do you have a view on whether industry should fund any secondee(s) providing technical advice?
10. Have you used CCPO business guides in the past?
11. Would you like CCPO to continue publishing business guides?
12. In your opinion, are there other services CCPO could usefully provide?
13. How could CCPO become a more effective voice for business?
14. Would you like CCPO to hold a stakeholder event annually/more frequently to facilitate feeding in industry views?

Markets

15. Do you agree with the suggested balance between mature and emerging markets? If not, please give your reasons.
16. Do you wish to suggest markets that you feel CCPO should focus on in the future?
17. Do you have comments on the suggested destinations for trade missions or other activities?
18. How can trade missions seek greater participation from all players in the carbon market?

Capacity building

19. Do you have suggested capacity building activities for CCPO to undertake?
20. Do you agree CCPO can add value by working on capacity building?

Proposed CCPO Activities

21. Do you agree with the proposed activities? If not, which ones would you change?
22. Please put the following three proposed CCPO activities in order of importance for your organisation: A - Trade Missions, B - Business Advice, C - Capacity Building.

Please submit comments to ccpo.enquiries@berr.gsi.gov.uk by 18 January 2008. If you are responding directly to the questions above, please copy the questions into an email and add your answers/comments, **indicating whether you are happy for your comments to be attributed to you**. Workshop attendees will receive questionnaires including the questions above.

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Section 8: NEXT STEPS

Thank you for taking part in the CCPO Review. All comments will now be considered and the results of the Review will be published in late February, including the results of January's stakeholder workshop.

If you would like to attend the stakeholder workshop on 16 January 2008 at the BERR Conference Centre, 1 Victoria St, please email ccpo.enquiries@berr.gsi.gov.uk by 8 January 2008. Please note that places are limited and will be allocated on a "first come, first served" basis.

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ANNEX A

**Workshop on the Review of the Climate Change Projects Office
Wednesday 16 January 2008, BERR Conference Centre 13:30**

Draft AGENDA

- 13:30 – 13:45** Registration and coffee
- 13:45 - 13:55** Introduction to Event – **Vicky Elliott, Head of CCPO**
- 13:55 – 14:00** Workshop format – **Simon Kelly, Business Communications
CCPO**
- 14:00 – 14:10** Welcome Exercise
- 14:10 – 14:40** Workshop 1: Business contact with CCPO (including feedback to group)
- 14:40 – 15:05** Workshop 2: Priority Markets (including feedback to group)
- 15:05 – 15:20** Coffee and fill in questionnaires
- 15:20 – 15:35** Update on recent and upcoming CCPO activities – **Jed Jones, Principle Projects Advisor, CCPO**
- 15:35 – 16:00** Workshop 3: Capacity Building (including feedback to group)
- 16:00 – 16:30** Workshop 4: CCPO future activities (including feedback to group)
- 16:30 – 16:40** Plenary and summing up
- 16:40** Close of workshop and questionnaire submission

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ANNEX B

Summary of Climate Change Projects Office Trade Missions

DATE	COUNTRY	CITY
November 2004	India	Mumbai and New Delhi
May 2005	South Africa	Johannesburg and Cape Town
July 2005	China	Beijing, Chongqing and Guangzhou
November 2005	India	Mumbai and Hyderabad
March 2006	Chile, Argentina and Brazil	Santiago, Buenos Aires and Sao Paulo
June 2006	Mexico	Mexico City and Monterrey
October 2006	China	Guangzhou, Chengdu, Chongqing and Guiyang
January 2007	Egypt	Cairo
February 2007	Malaysia and Indonesia	Kuala Lumpur and Jakarta
March 2007	Argentina, Uruguay and Brazil	Buenos Aires, Montevideo and Sao Paulo
May 2007	China	Shanghai and Hong Kong
June 2007	South Korea and The Philippines	Seoul and Manila
September 2007	Colombia, Costa Rica and Panama	Bogotá, San Jose and Panama City
November 2007	Peru and Ecuador	Lima and Quito

UPCOMING TRADE MISSIONS

DATE	COUNTRY	CITY
January 2008	Vietnam and Thailand	Hanoi, Ho Chi Minh City and Bangkok

INWARD TRADE MISSIONS

DATE	COUNTRY	CITY
October 2005	Chile	London
March 2006	Brazil	London
March 2006	Egypt	London
May 2006	Chile	London
April 2007	India	London

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ANNEX C REVIEW OF THE CLIMATE CHANGE PROJECTS OFFICE TERMS OF REFERENCE

1. **Aim** - To review the activities of the Climate Change Projects Office (CCPO) in order to ensure a well-targeted CCPO role that will work with other parts of government to put UK business in a position to optimise climate change opportunities, particularly through the Clean Development Mechanism, and help maintain the UK's lead market share in climate change project credits origination and trading.
2. **Timing** - The review will begin in autumn 2007 and report in February 2008.
3. **Background** - The CCPO was formed in 2001. Initially CCPO activity concentrated on awareness-raising via a dedicated website and a series of simple business guides describing the Kyoto mechanisms. CCPO also helped early project developers negotiate the complex international regulations for CDM and organised an exploratory trade mission to India in 2002.
4. The CCPO has evolved with the growth of the CDM market, and since 2004 has moved more resources to trade promotion activities in major CDM host countries and inward missions from overseas project owners looking for investors.
5. The **review** will:
 - undertake an evaluation of the CCPO's current activities;
 - consider links between the Government trade promoter networks;
 - consider links with capacity building work currently undertaken by the UK;
 - undertake an assessment of UK industry capability (including the financial sector) in taking forward climate change projects and accessing CDM;
 - identify possible future roles for CCPO, e.g. continued trade mission support, capacity building, promotion of wider climate change business opportunities, providing guidance on climate change projects and CDM/JI, inputting practical business experience into UK negotiating positions for EU/international policy development, promotion of UK Emissions Registry, undertaking in-country promotion of the City of London as a carbon market.
 - consider the balance between the priority given to the promotion of mature and emerging CDM markets and the potential for increased activities relating to countries without well-developed CDM projects, such as Africa.
6. As context, the Review will consider recent documents such as the Stern Review and Intergovernmental Panel on Climate Change (IPCC) reports, ongoing initiatives such as the Commission on Environmental Markets and Economic Performance (CEMEP) and climate change policy developments in the UK, EU and internationally.
7. Stakeholder views will be sought on the review via a workshop and discussion paper-style questionnaire. The review will be managed by officials from across government. Ministers will consider recommendations and the results of the review will shape the CCPO's work for the financial year 2008-2009 and beyond.