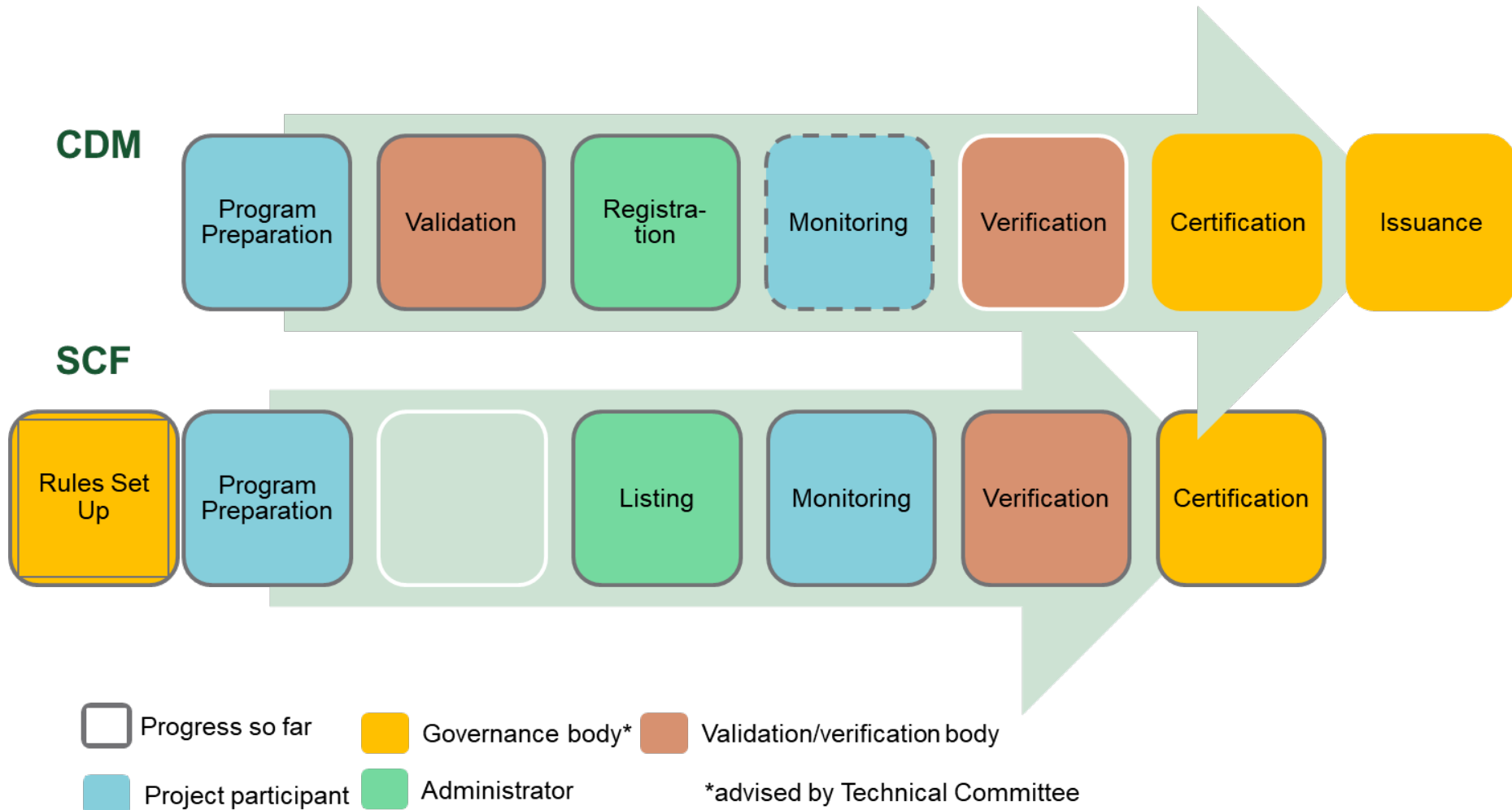




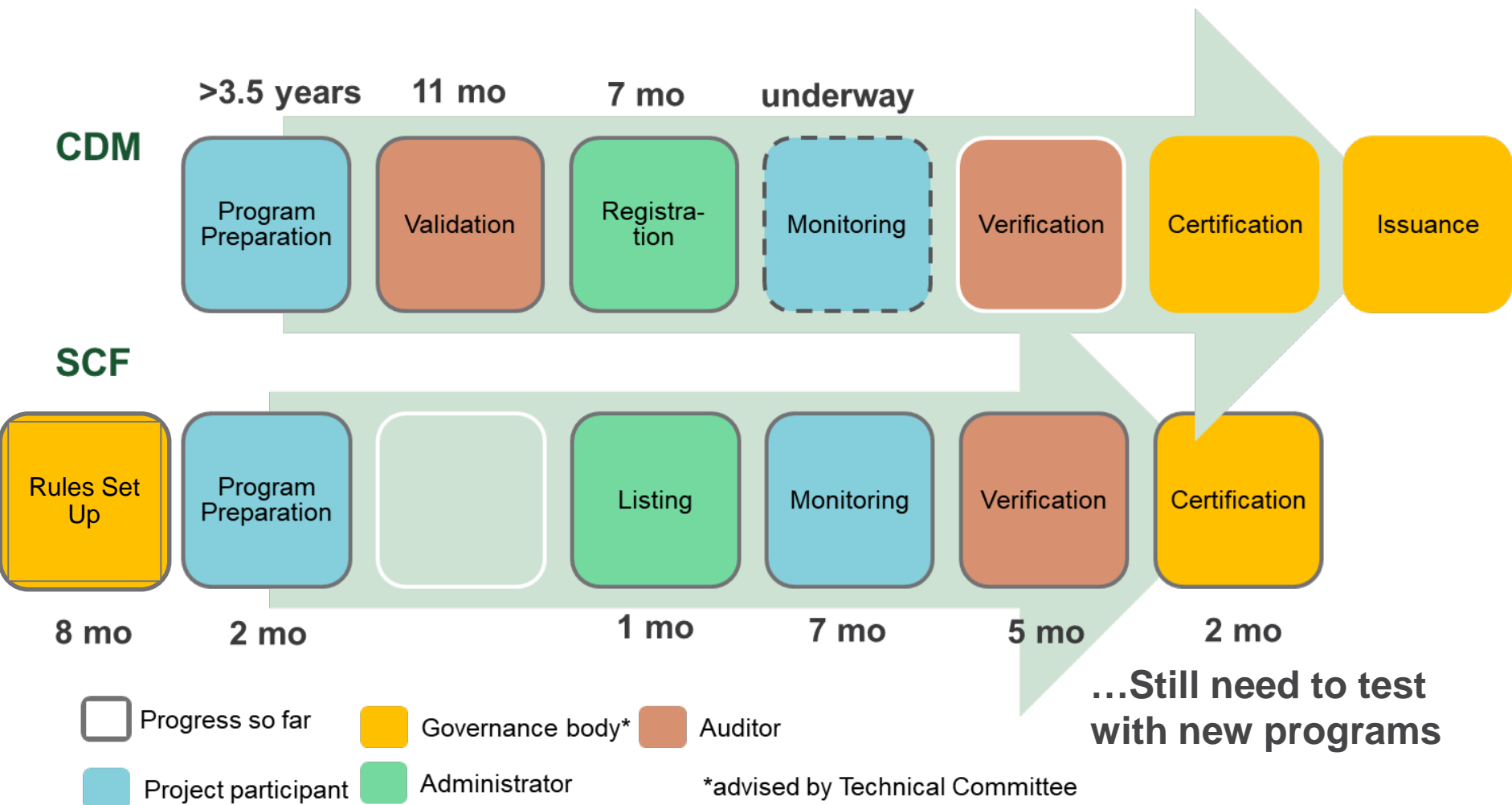
**SCF Rwanda Pilot – Lessons Learned Workshop**  
**Comparing the SCF process with the**  
**CDM**

13 February 2020

# SCF vs CDM project cycle

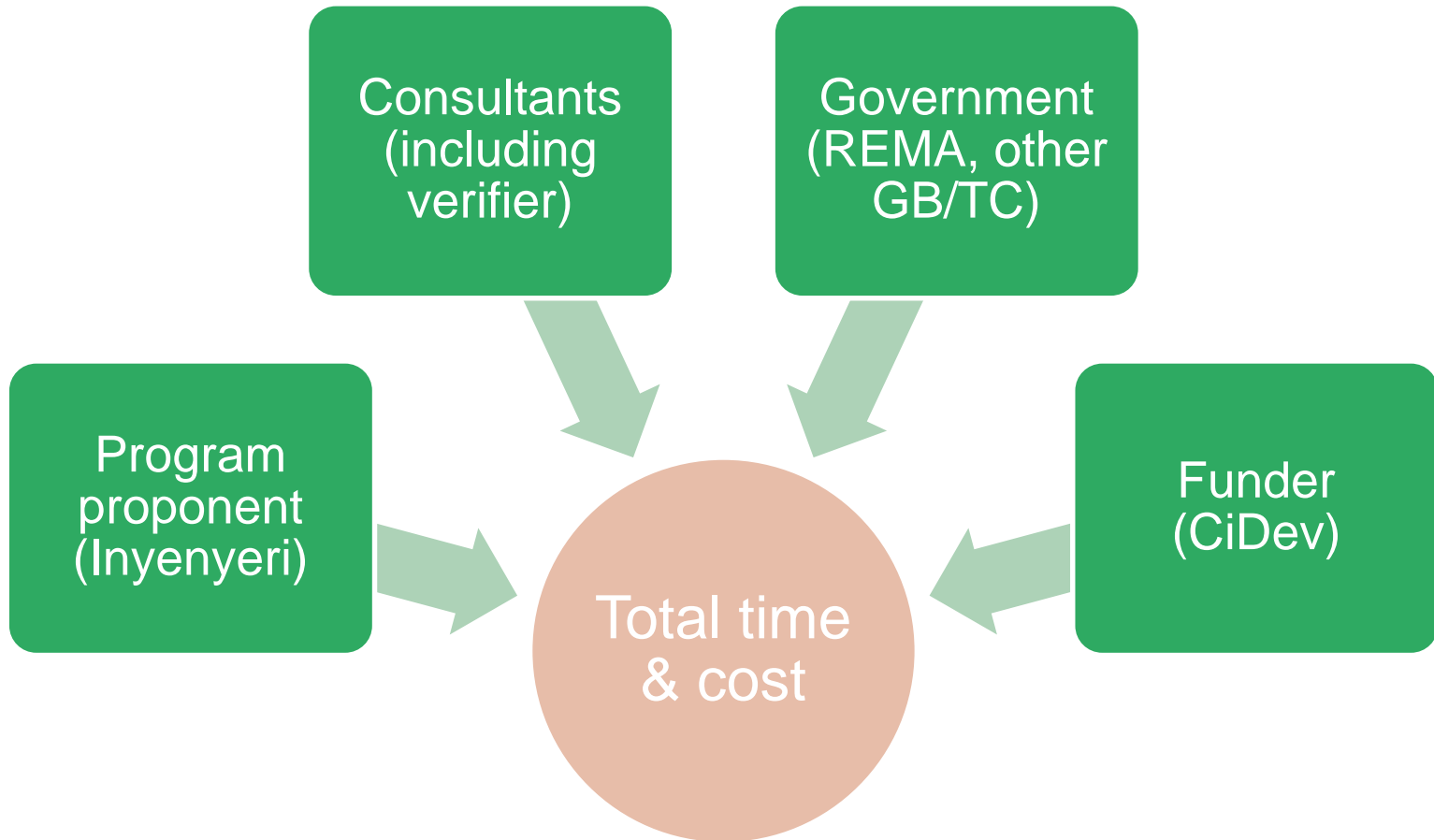


# SCF can reduce process time significantly

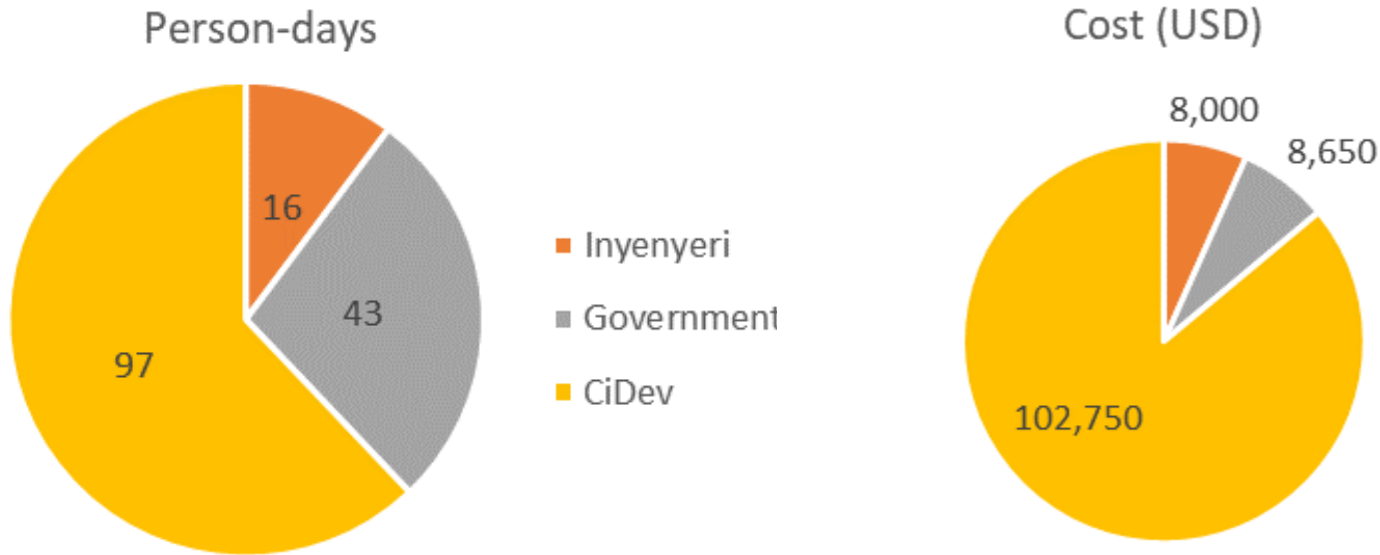


## For comparison of transaction costs, consider time invested by all stakeholders

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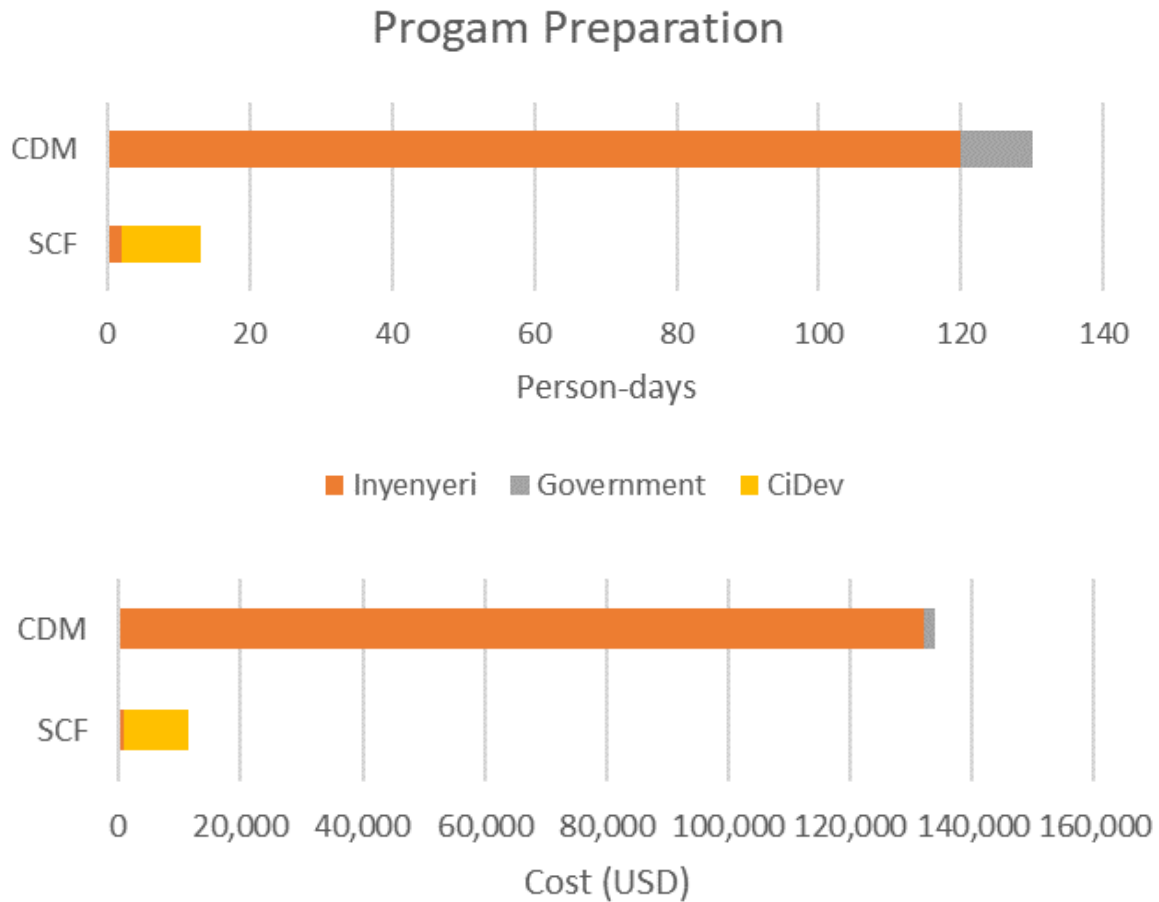


## Setting up the framework does take time...



Although much of this is an upfront cost and not a cost per program

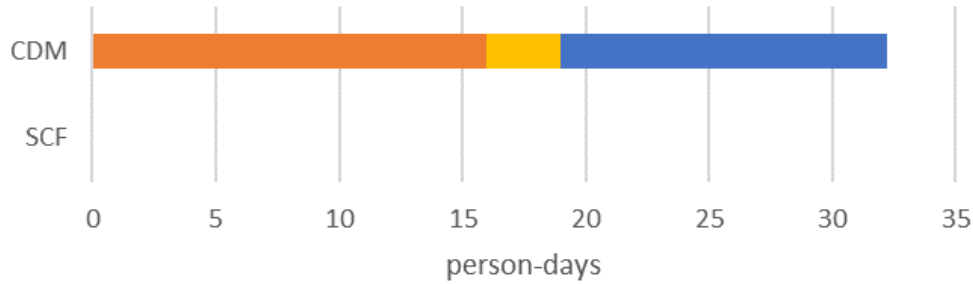
## ...but leads to dramatic reductions in time and cost for program preparation



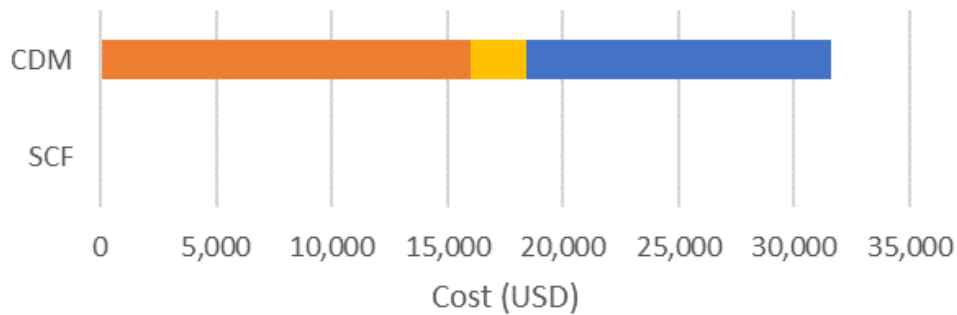
Caveat: SCF pilot was built on years of CDM PoA preparation – ideally need to evaluate for new case

# No validation saves more than \$30,000, plus another \$30,000 during registration/listing

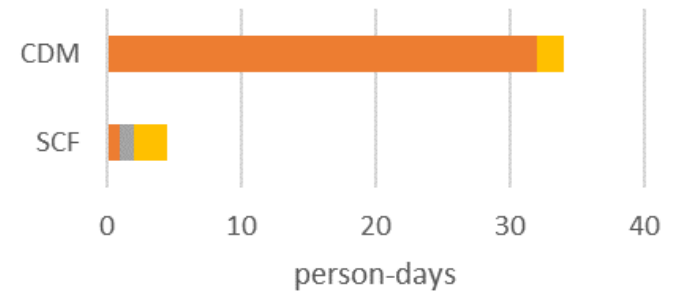
Validation



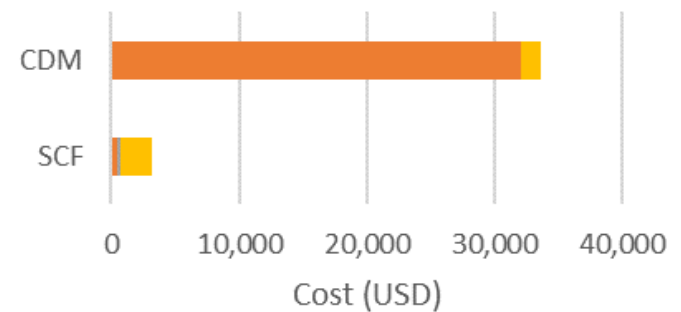
Inyenyeri Government CiDev Auditor



Registration/Listing



Inyenyeri Government CiDev



## Monitoring and verification also offers savings

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- Minimal delays in SCF monitoring – could hire auditor a month after monitoring period ended, partly due to preparation during monitoring period
- Several reasons why monitoring process under SCF likely less expensive than CDM (CDM monitoring is still ongoing)
  - SCF does not require a sample survey of households to determine the share of operational devices if the program proponent has records of fuel purchases for each customer (e.g. Inyenyeri's customer database)
  - For average biomass use per device, SCF allows using customer sales (of pellets) data instead of doing surveys of consumption
  - SCF pilot does not have multiple CPAs so there is no cost and time investment for inclusion
  - Where sample surveys are used for any parameter, the survey size is fixed, so no time and costs are required (often from consultants) to accurately determine and justify sample size
- Verification also uses simplified templates and tools compared to CDM – cannot compare yet since CDM verification has not started
  - Responding to auditor queries went smoothly, but did take some time
  - SCF verification also offered training to local verifiers



## Summary: time and cost SCF versus CDM

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- SCF pilot has demonstrated the substantial cost and time savings that can be achieved through simplification and streamlining
  - even just considering the program preparation, validation and registration/listing phase
- SCF process was several years shorter than the CDM process
- Even for new programs under the SCF, very unlikely that program preparation would take more than six months
- In first three phases, the cost savings of USD 180,000 for one program were more than the entire set-up cost of the SCF (USD 120,000)
- Even if additional programs require some support for project development, the savings are likely to be substantial compared to the CDM

A key question for other countries – and even for expansions of the SCF into other sectors in Rwanda – would be **who pays for this set-up cost**  
=> potentially link to international initiatives supporting countries in NDC implementation and MRV