



POLICY GROUP

A Report on CSLF Capacity Building Program Achievements

**By the
CSLF Capacity Building Task Force
and the
Capacity Building Governing Council**

Barbara N. McKee
Tel: 1 301 903 3820
Fax: 1 301 903 1591
CSLFSecretariat@hq.doe.gov



A REPORT ON CSLF CAPACITY BUILDING PROGRAM ACHIEVEMENTS

Note by the Secretariat

Background

At its meeting in San Francisco in June 2009, the CSLF Policy Group approved the CSLF Capacity Building Program Plan and this plan was endorsed by the CSLF Ministers in their meeting in October of that year. The Program Plan described planned capacity building activities, made provision for financial contributions for these activities, described the duties of the Capacity Building Task Force and established a CSLF Capacity Building Fund Governing Council to be responsible for the funds raised.

This document is a joint report by the CSLF Capacity Building Task Force and the Capacity Building Fund Governing Council on the progress of the CSLF Capacity Building Fund.

Action Requested

The Policy Group is requested to consider the report by the CSLF Capacity Building Task Force and the Capacity Building Fund Governing Council.



A Report on CSLF Capacity Building Program Achievements

In the Communiqué of the CSLF Ministers at their October 2010 meeting in London, Ministers stated the following:

We endorse the comprehensive capacity building plan developed by the CSLF to address the critical need for the sharing of knowledge and experience on CCS so that CSLF Members can develop capacity to effectively deploy CCS. We will seek various opportunities to support it both financially and in-kind.

Effective capacity building on such a scale requires the collaboration and commitment of diverse organizations. We, therefore, invite foundations, industry, multilateral institutions and other stakeholders to participate in and financially support this important capacity building initiative.

This report describes the management of the CSLF Capacity Building Fund established for the implementation of that plan.

CSLF Capacity Building Program Plan

The CSLF Capacity Building Program Plan, approved by the CSLF Policy Group and endorsed by Ministers in 2009 defines the mission of CSLF Capacity Building Program as assisting all CSLF Members to develop the information, tools, skills, expertise and institutions required to implement CCS demonstrations and then move rapidly into commercial operation.

The Program Plan further defines four program initiatives:

- Disseminate practical information;
- Build capacity in emerging economies;
- Assist government and regulatory agencies; and
- Build academic and research institutions for CCS.

Each of the capacity building projects undertaken by the CSLF, as described below, addresses one or more of these program initiatives. The Program Plan also provides a framework for the governance of the CSLF Capacity Building Program through:

- Raising of financial resources for capacity building;
- Financial governance through a Capacity Building Governing Council; and
- Assessment of capacity building needs.

The Capacity Building Task Force

The Capacity Building Program Plan also spelled out the duties of the Capacity Building Task Force as follows.

“This effort will be led by the Capacity Building Task Force of the CSLF Policy Group with the Secretariat providing administrative support. Ongoing coordination will take place both within and external to the CSLF. Various task forces of both the Policy and Technical Groups will be called upon to devote effort in their areas of expertise.

The Capacity Building Task Force will develop and propose capacity building activities to the Policy Group and the Program is intended to be actively managed by the Secretariat.”

Activities of the Task Force

In collaboration with the Capacity Building Task Force, the CSLF Secretariat developed evaluation criteria for requests for capacity building projects by CSLF Members. The Task Force then reviewed requests for capacity building projects solicited from developing country Members. Projects approved by the Task Force using those criteria were then reported to the Capacity Building Fund Governing Council for further consideration and funding.

Through its Chairman, the Task Force also contributed to the organization and deliberations of the Capacity Building Governing Council, including the final allocation of funds to capacity building projects.

CSLF Capacity Building Fund

A CSLF Capacity Building Fund has been established and is administered by the CSLF Secretariat, which reports on financial matters to the CSLF Capacity Building Fund Governing Council. Contributions committed to the CSLF Capacity Building Fund total US\$3,010,473.75. These include the following:

| | |
|----------------|-----------------------------|
| Australia | US\$ 968,160.00 |
| Canada | US\$ 233,073.75 |
| Norway | US\$ 900,000.00 – Committed |
| United Kingdom | US\$ 909,240.00 |

As of July 31, 2011, a total of US\$1,129,500 has been committed to projects, and undisbursed funds are held on behalf of the CSLF in the United States Treasury. (Since the CSLF is not a legal entity that can enter into contracts, it cannot itself hold or disburse funds.)

Governance of the CSLF Capacity Building Fund

As specified by the Program Plan, the CSLF Capacity Building Fund Governing Council composed of representatives of significant donors has been established. The Governing Council oversees financial aspects of the Capacity Building Program. The Governing Council began its operation by developing a Terms of Reference for its operation and for governance of the CSLF Capacity Building Fund. See Annex 1.

The CSLF Capacity Building Fund Governing Council also further evaluated requests for capacity building projects. This procedure was implemented in 2010 and 2011 in coordination with the Capacity Building Task Force.

Collaborations

The CSLF is collaborating with the Global Carbon Capture and Storage Institute in the management of its Capacity Building Program and is coordinating its activities with CCS capacity building activities of the World Bank. Various other industrial and academic institutions in Member countries are taking part in CSLF capacity building projects.

Requests for Assistance

The CSLF has received to date a total of eleven requests for projects assistance from emerging economy CSLF Members. These requests were evaluated using the criteria developed by the Secretariat and approved by the Capacity Building Task Force and the CSLF Capacity Building Fund Governing Council.

Capacity Building Projects

A total of nine capacity building projects in five countries have been approved to date and will be conducted by the CSLF. While projects may be held in a specific country, workshops and other events are open to participants from all CSLF Members. In addition to these projects, the two remaining requests for capacity building activities are being considered by the CSLF Capacity Building Fund Governing Council and are under discussion with the requesting Members.

Approved projects include:

Brazil

- Develop a training program in the process of CCS in the offshore environment. This program will be for professionals from the oil industry, research institutions, universities and stakeholders in general and is viewed as critical to the sustainable development of Brazil's petroleum industry.
- Develop a knowledge base on environmental impact assessment and CO₂ monitoring technologies. This data base will be used for the development of CCS projects in South America by bringing skilled personal to instruct and capacitate local human resources and advice on the appropriate technology and instrumentation necessary for a specific project.

China

- Develop website on Carbon Capture Utilization and Storage Technologies. This project is establishing the first website focusing on CCS technologies and its development in China. The aims are to serve as a platform to share information and knowledge on technology advancements and good practices and to educate the public. The project has been initiated.
- Workshop on experience sharing among CCS demonstration and pilot projects. The workshop will be the first focusing on CCS experience sharing in China and will serve as

a platform of exchange and discussion within China and internationally. Participants are representatives of government departments, academia, industrial stakeholders and NGOs.

- Workshop on legal and regulatory issues for CCS technology development. The themes of the workshop introduce the role of regulatory and enabling environment for CCS development, experiences of developed countries and how China may move forward. Participants are representatives of government departments, academia, industrial stakeholders and NGOs.

India

- Training engineers at CCS project sites. Engineers will be seconded to ongoing CCS projects in order bring back to India what they have learned at these projects.

Mexico

- Introduce CCS into academic programs. This project will educate professors and graduate students in the field. The starting date is March 2012.

South Africa

- Conduct workshops and conferences during South Africa's CCS week. Two workshops will be held in October 2011, to disseminate information on CCS to relevant stakeholders.
- Impacts of CCS on South African national priorities beyond climate change. The aim of this study is to improve the understanding of how CCS impacts South Africa's national priority issues beyond CO₂ mitigation and climate change, such as sustainable development, improved local infrastructure, job creation and protection, poverty alleviation, and social uplift.

Annex 1

CSLF Capacity Building Programme Fund Draft Terms of Reference for the Governing Council

1. Introduction

1.1 At the CSLF Ministerial Meeting in London in October 2009, Ministers and the CSLF Policy Group approved the CSLF Programme Plan for Capacity Building. The CSLF Capacity Building Programme (the “Programme”) is to be supported financially by the CSLF Capacity Building Programme Fund (the “Fund”). Although the Fund is open to all CSLF Members, the expectation is that the distribution of financial contributions received should focus on emerging economy CSLF Members and represent a wide geographical spread.

1.2 The purpose of the CSLF Capacity Building Fund Governing Council (the “Council”) is to assure that the Fund is spent wisely and appropriately. These Terms of Reference provide the framework for governance of the Council.

2. Membership of the Governing Council

As of December 3, 2010, CSLF Members who are members of the Council include Australia, Brazil, Canada, Mexico, Norway, Saudi Arabia, the United Kingdom, and the United States. Future membership of the Council is to consist of: (1) representatives from each CSLF Member that have made a financial contribution to the Fund of over a threshold amount of US\$ 100,000.00, (2) the Chair of the CSLF Capacity Building Task Force, and (3) representatives of the CSLF Secretariat, who are non-voting Council Members.

3. Meetings

The Council is to meet as needed, at least once a year, at such times and places as the Council members may determine. Meetings may be by teleconference or video conference. The Secretariat is to prepare minutes of all meetings.

4. Leadership

The Chair and a Vice Chair of the Council are elected from among its members.

5. CSLF Fund for Capacity Building

5.1 The Fund consists of financial contributions paid into a single account to be used for the purpose of capacity building. Following receipt of a contribution, the Council does not accept or honor conditions or restrictions a donor may seek to impose on how its contribution is to be expended.

5.2 In-kind support for capacity building activities is welcomed, but does not constitute a contribution to the Fund. Additionally, funds a CSLF Member expends on capacity building activities in its own country do not constitute a contribution to the Fund.

5.3 Expenditures from the Fund are to be used for direct expenses related to capacity building activities, as recommended by the CSLF Capacity Building Task Force with input from the Council. The CSLF Secretariat may charge up to 7% (including travel expenses) of the total Fund as a Programme management fee, as approved by the Council.

5.4 The Secretariat is responsible for providing coordination for the Programme, analyses and assessments for both the Capacity Building Task Force and the Governing Council, which are to include both the administrative and financial aspects of the Programme.

5.6 Monies in the Fund shall be held by the United States Department of Energy in an account maintained in the United States Treasury for expenditure as directed by the Council. The Council shall designate (subject to acceptance by the designee): either the Secretariat or another organisation to engage and manage contractors or service providers to implement each individual aspect of the Programme.

6. Decision Making and Governance Activities

6.1 The Council is to develop and approve a budget for the Programme; determine the allocation of the Fund based on recommendations by the Capacity Building Task Force; review administration and management of the Fund; apply the CSLF capacity building strategic plan in funding decisions; review project scope and execution by reviewing CSLF capacity building criteria; provide quarterly account statements and reports to the CSLF Policy Group.

6.2 The Capacity Building Task Force is responsible for capacity building Programme strategic development; recommendation of Programme project locations, activities, and topics; and assuring comprehensiveness and complementarities of Programme activities to the CSLF's overall capacity building objectives.

6.3 All decisions of the Council are to be made on the basis of consensus.

7. Observers

By invitation, observers are welcome to attend meetings of the Council.

8. Reporting

The Secretariat should provide reports twice each calendar year to the Council on the status of the Fund. Each such report should provide:

- Progress reports on the capacity building activities during the preceding six-month period;
- Beginning and ending balances of any accounts within the Fund;
- Amounts of financial contributions and expenditures;
- Identity of donors and recipients;
- Quarterly account statements;
- A final expense report for each capacity building activity or event that has been completed; and
- Other information as deemed relevant by the Secretariat or requested by the Council.