

CDM/JI/AAU

South Pole announces Colombian CDM tie-up

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South Pole has partnered with a Colombian bank to develop “high-quality” carbon offset projects.

The Zurich-based carbon asset manager announced Wednesday it will work with Bancolombia to “consolidate” its leadership position in Latin America as a developer of clean development mechanism (CDM) and voluntary offsets.

“Together the companies are in a strong position to seize the many opportunities that present themselves in the carbon markets at a time of consolidation of the CDM and new market developments in the Americas,” said South Pole CEO Christoph Sutter.

Medillin-based Latin America principal for South Pole, Christian Dannecker, said Colombia has great potential for CDM projects in energy efficiency in industry and transport, hydroelectricity and forestry.

He told Point Carbon News that Colombia's other potential projects could be implemented through programmes of activities (PoAs) or the voluntary carbon market in the case of avoided deforestation and installing cook stoves.

Catching up

Colombia has the fourth largest portfolio of CDM projects in Latin America, lagging way behind heavyweights Brazil and Mexico, and catching up with third-place Chile.

"I think Colombia could overtake Chile in the long term, given that there are more non-yet tackled opportunities," Dannecker said.

It has 65 projects in its CDM pipeline, according to the latest Unep-Risoe update.

Landfill gas, hydro and methane avoidance represent the greatest number of projects in Colombia's portfolio, according to the Unep-Risoe database.

Dannecker said several government sectors in the country have started to demonstrate strong involvement in the CDM, with a number of municipalities being project owners.

Partnership

He added that the partnership with Bancolombia will enable the bank's clients to “benefit from solutions combining project finance and carbon asset development”.

Specifically, the two firms will work together to identify projects to be developed according to CDM and voluntary carbon market blueprints for EU compliance buyers and future compliance

buyers in the US.

Bancolombia's head of environmental management said the partnership signals the important role the carbon markets will play in the South American country.

"In our view the carbon markets will play an important and growing role in the coming years," said Bancolombia's Franco Alexander Pizo Rondon.

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