Overview and outlook
- of project progress, agenda and negotiations

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Botswana Second National Workshop for ACP-CD4CDM
7-8 September, 2011, Tlotlo Conference Centre
Gaborone, Botswana
Outline

- Project objectives & progress
- Agenda for Second National Workshop and Waste Sector Workshop
- Outlook towards COP-17, Durban
Objective: The project aims to enable Botswana to fully participate in the global carbon market

Work plan: Work Plan Botswana.xls

Website: http://botswana.acp-cd4cdm.org/
- incl. presentations from workshops
• An operational DNA capable of approving projects consistent with the host country’s sustainable development priorities.
• Technical capacity of national experts and consultants in CDM project identification, design, and implementation built.
• An improved CDM regulatory and investment environment through awareness raising and policy advisory activities for government.
• CDM project appraisal skills and capacity of local financial institutions built.
• Host country promoted as a CDM destination through producing a national portfolio of potential CDM projects.
• Pilot CDM project opportunities have been identified and promoted among companies from Kyoto Protocol Annex I countries interested in investing in CDM projects in ACP countries and / or purchase of CERs from these projects.
• A free, web-based Knowledge Management Platform established to share CDM experiences and knowledge among ACP countries: http://botswana.acp-cd4cdm.org/
Agenda

Themes:

• national climate policy framework, incl. study on national/regional grid emission factor
• legal framework for CDM in Botswana
• negotiation of CDM contracts
• validation and verification of CDM project activities

Speakers:

• DNA Botswana
• CDM consultant: EECG consulting, Botswana
• Environmental lawyer: Chilume & company, Botswana
• DOE: ERM C&VS Ltd., UK
• UNEP Risø, Denmark
Sector workshop on waste

Agenda: Agenda_Final.doc

Presenters:
- 3 project ideas on biogas
- EECG Consulting: status of CDM project development
- Department of Waste Management and Sanitation
- Gaborone City Council
Outlook for negotiations
- COP-17, Durban, South Africa
Taking the Cancún agreements forward – overview

Progress made in the following areas:

• The Cancun Agreement ‘anchored’ the Copenhagen pledges for targets, actions and finance (US$ 30bn 2010-12 & 100bn/pa by 2020)
• Technology mechanism: - institutionalization
• REDD+ - methodological guidance development
• Registry for NAMAs, procedures for MRV/ICA
• Green Climate Fund – design and implementation
Challenges towards COP-17

Issues unresolved:

• The future of the KP: whether or not the flexible mechanisms (incl. CDM) will continue without a second commitment period?
• Legal form of BAP outcome undecided
• Developed country pledges are made bottom up, i.e. voluntary
• Gap between pledges and science defined needs: http://www.unep.org/climatepledges/
• Sources of finance for Green Climate Fund are unclear
The future of the CDM

KP outcomes:
• Recognition of the IPCC AR4th range of emission reductions by 25-40% below 1990 levels by 2020 and the call to Annex I Parties to raise the level of ambition with their pledges to meet this range
• Flexible mechanisms shall continue to be available
• CCS accepted as CDM activity provided issues are resolved

EU market influence:
• Elimination of project-based CDM for major developing countries in key internationally competitive sectors
• CDM will remain an option for less developed countries and some smaller or less competitive sectors
• CDM investments will also be affected by restrictions imposed in domestic trading systems (eg. EU restrictions on use of credits from industrial gas projects)
The future of the CDM

COP-16 decisions – guidance to CDM:

- PoA additionality rules and simplified approaches
- Increased transparency of CDM Executive Board decisions
- Appeal mechanism to be explored for next session
- Simplified modalities for small scale RE & EE projects
- Standardized baselines to be developed especially for applications in LDCs and SID
- Improved regional distribution, including capacity building and making operational a new loan scheme for projects in countries with less than 10 registered projects.
Low Emission Development Strategies and NAMAs
Strategic Priorities and/or Stand Alone Action

**LCDS/LEDS**
- Rooted in national development plans
- Assessing current situation (Baseline)
- Development scenarios with different emissions
- Costs & Benefits of a lower carbon path
- Priority actions (NAMAs)
- Necessary policies, institutions and finance
- National and international MRV

**NAMAs Direct**
- “Priority” actions identified typically at project, sector or national level
- Piloting approaches and opportunistic fund raising, but real procedures and funds will take time to evolve
- Need for baseline and MRV
- Actual approach will depend on funding source.
Emerging Typologies of NAMAs (Perspectives)

NAMAs domestically funded and unilaterally implemented (unilateral NAMAs),
NAMAs implemented with financial, technological and/or capacity building support from developed countries (supported NAMAs)
NAMAs implemented with funding from carbon offset credits generated for the amount of emission reductions achieved (credited NAMAs). It is generally perceived that a crediting of NAMAs could follow similar principles as the current CDM framework.
Stylized NAMA cycle

NAMAs Cycle

Support activities
- Identifying support & Strengthening Capacity Building for:
  - Technology Needs Assessment
  - Mitigation assessment
  - Low-Carbon Strategies
  - Technology Action Plan
- Development of National/International methodologies
- Definition of Performance Indicators
- Development of international rules
- Enabling NAMA procedures & readiness
- Development of MRV methodologies

Process
- Elaboration of NAMAs Actions and Programmes
- National Approval
- NAMAs Means of implementation
  - Finance Public/private
  - Capacity Building
  - Technology Transfer
- NAMAs Register Approval
- NAMAs Implementation

Actors
- Green Climate Fund
- National Stakeholders
- Development of National/International methodologies

5. MRV
- National, International
  - NAMAs actions implemented
  - Support (Finance, Capacity-Building, Technology Transfer)
Information from NAMA submissions reported in 2011

• Wide range of reported activities and ambitions
  • Voluntary reduction targets
  • Current national action with mitigation benefits
  • Sector based NAMA priorities
  • Individual NAMA listing some with specified mitigation potential
  • Statements on existing or desired LCDS
  • Needs for capacity development support for both LCDS & NAMA development
Differentiated global carbon markets

Source: Marie Christiansen, Ministry of Climate and Energy, Denmark, 2009