



# Overview and outlook

- of project progress, agenda and negotiations

Karen Holm Olsen

[kaol@risoe.dtu.dk](mailto:kaol@risoe.dtu.dk)

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

# Project objectives and work plan

**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

# Project results/progress

- 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 SIDs
- 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.

# 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
------------------------	-------------------	---------------------

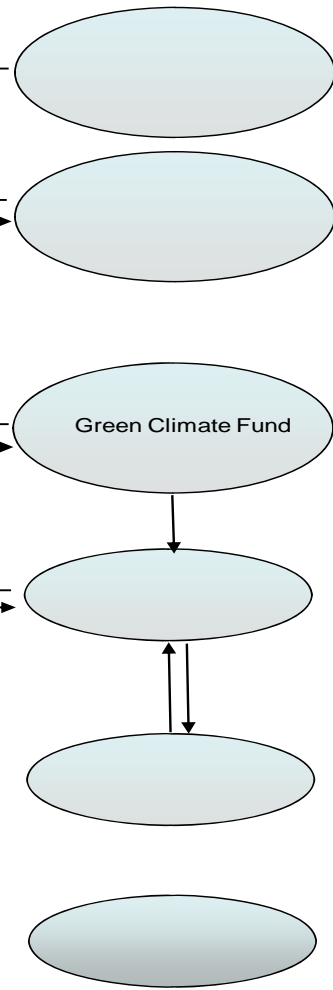
NAMAs Register International Approval

NAMAs Implementation

5. MRV National, International

NAMAs actions implemented	Support ( Finance, Capacity-Building, Technology Transfer
---------------------------	---

## Actors



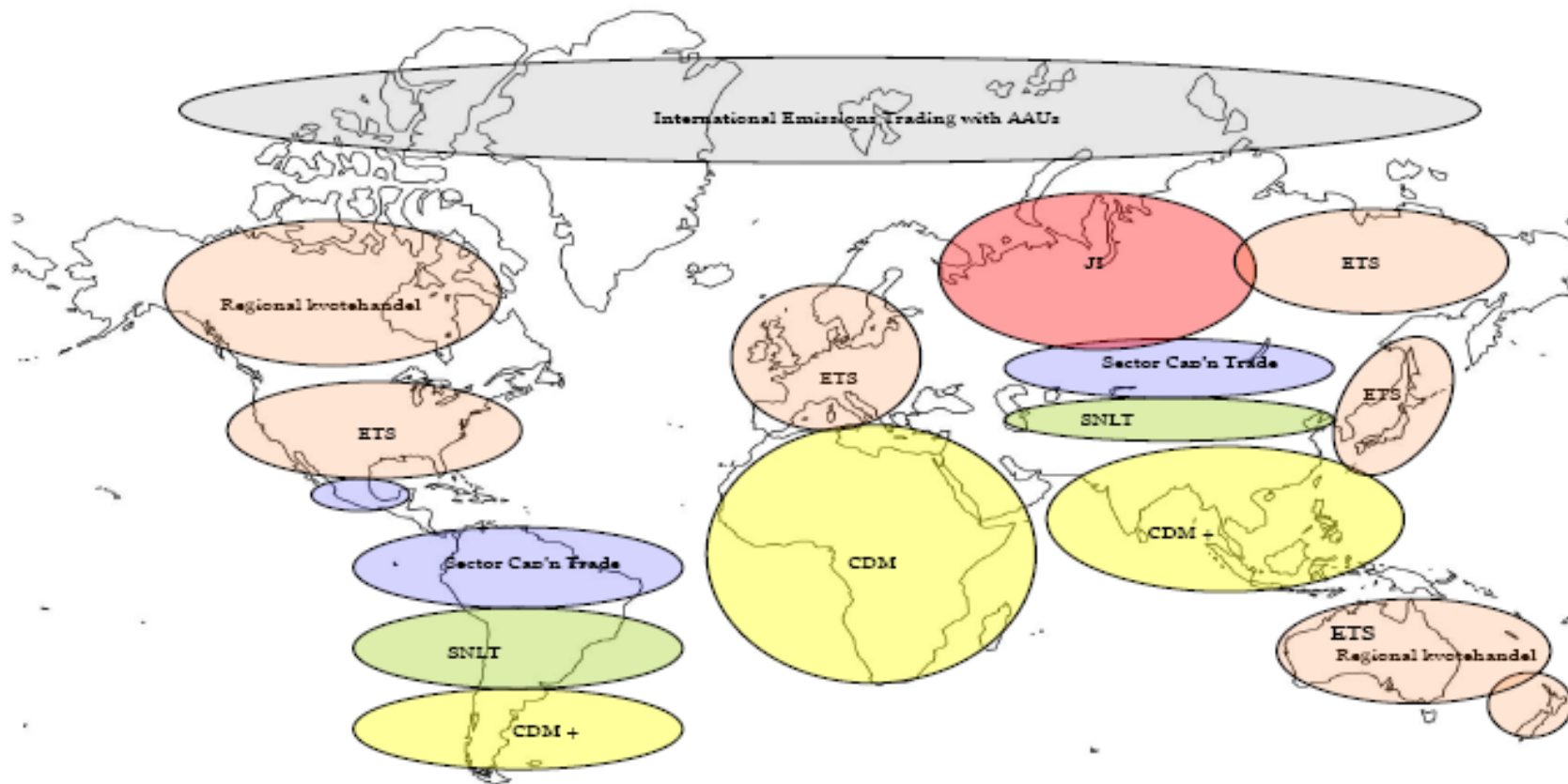
Stylized  
NAMA  
cycle

# 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