The 2nd CDM Capacity Building Workshop in the Pacific Under the EC ACP MEA Project

Project Idea Note (PIN)

Atul Raturi

University of South Pacific

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Checklist - before you start

- CDM eligibility (All Yes)
  - Has the country ratified Kyoto Protocol?
  - Does the country have a DNA office set up?
  - Will the project reduce CO_2 emissions?
  - Does the project fulfill national SD criteria?
  - Is the project (if >5 MW,20GWh) additional ?
  - Is there no ODA funding involved?

Checklist- contd.

Does the project fall in one of the following categories (at least one yes)?

- End-use energy efficiency
- Supply -side energy efficiency
- Renewable energy
- Fuel switching
- Methane reduction
- Industrial processes that reduce GHGs
- Agriculture
- Sequestration and sinks

Is it a small scale project?

- Type 1: Renewable Energy Project with ⊜15 MW electricity (or ⊜ 45 kW thermal).
- Type 2: Energy efficiency projects with ⊜ 60 GWh savings per year.
- Type 3: Any other project with ⊜ 60 Kilo tonnes of CO_2 reduction per year.

Additionality Criteria

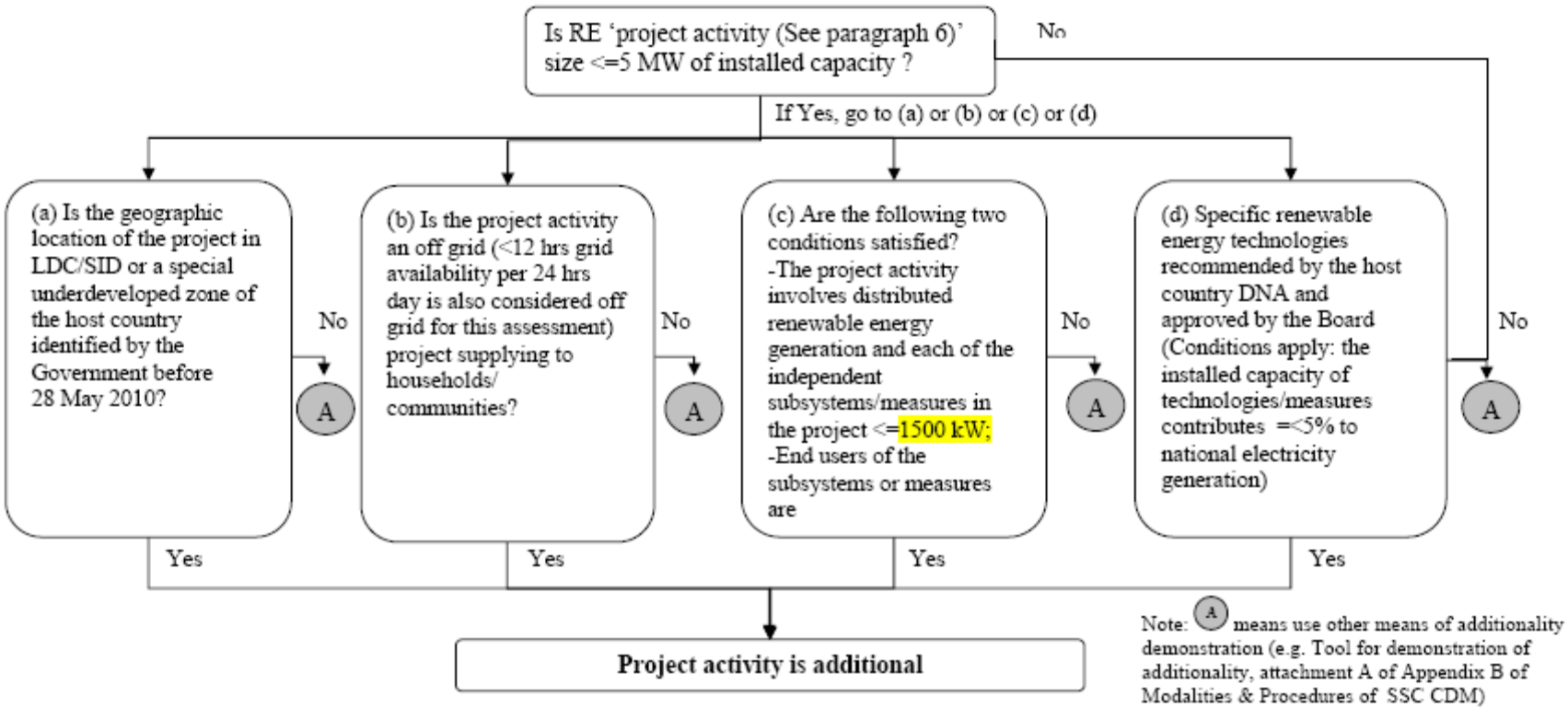
For Micro Scale Projects -Additionality Test Not required :

If the project activity is an off grid activity supplying energy to households/communities (less than 12 hrs grid availability per 24 hrs day is also considered as off grid for this assessment); and is located in SIDS or an LDC.

- Type 1: Renewable Energy Project with ⊙ 5 MW electricity (or ⊙ 15 MW thermal).
- Type 2: Energy efficiency projects with ⊙ 20 GWh savings per year.
- Type 3: Any other project with ⊙ 20 Kilo tonnes of CO_2 reduction per year.

The project is additional

Additionality Test for Micro Scale Projects



Source: CDM EB 60 Report ; **GUIDELINES FOR DEMONSTRATING ADDITIONALITY, April 2011.**

Additionality Test for SS CDM

Using Barrier analysis:

A SS project is additional if there is :

- An investment barrier : Not the cheapest option
- A technological barrier: More risk with new technology
- Prevailing practice barrier: The prevailing practice favours higher emissions
- Other barriers : e.g. Institutional, lack of capacity

PIN

- Normally a 5-page document providing general information to the DNA.
- Not a CDM EB requirement.
- Not a necessity in some countries.
- Could be used a marketing tool

PIN- Main components

- Project description
- Approximate GHG reduction
- National Sustainable Development criteria
- Suggested crediting period and CER prices
- Financial structure –parties involved

Project Description

- Objective
- Proposed activities
- Location
- Technology
- Details of project participants
- Schedule

Approximate GHG reduction

- Baseline scenario and BAU emissions
- Estimate of GHG reduction or CO_2 sequestered- annual and over the entire crediting period.

Sustainable Development Criteria

- Environmental benefits
- Socio-economic benefits
- Environmental benefits

Financial Information

- Estimated cost of the project
- Sources of finance
- CDM partnership
- Suggested CER price
- Crediting period
- Total value over the crediting period

PIN Example -1

Project name: ***Patsari* Cookstoves Carbon Mitigation Project, Mexico**

Objective	To further disseminate and monitor *Patsari* cookstoves in rural Mexico
Proposed description and activities	•-Install 7,000 new *Patsari* cookstoves during the crediting period •-Monitor *Patsari* cookstoves currently being used during the project lifetime. • - Monitor newly installed *Patsari* cookstoves during the crediting period. • -Conduct a maintenance program during the crediting period. • -Encourage the use of renewable fuelwood versus LPG, reducing emissions from fossil fuels.
Technology	• Commercially available Patsari cookstoves
Type of project	GHG Abatement – 1. Renewables / 1a Biomass 3. Energy Efficiency / 3e. Other Energy Efficiency GHG targeted-CO_2/CH_4/N_2O

Project location	North America Mexico The project will be managed from the cities of Pátzcuaro and Morelia in Michoacán State. 18 'fuelwood hotspots' areas selected using GIS
Project participants and their roles, Summary of the Financials **Participant Activities**	Grupo Interdisciplinario de Tecnología Rural Apropiada (GIRA) – standing for Interdisciplinary Group of Appropriate Rural Technology – Role……., Financial …… Activity: Install, maintain and operate all equipments…… - Other participants , their roles and project activities.
Schedule, Crediting period	Start-2008, CER delivery start-2008, Crediting period –21 years (7 years renewable twice)
Estimates of GHG reduction	Up to and including 2012: 41,757 tCO_2-equivalent Up to a period of 7 years: 74,255 tCO_2-equivalent

Baseline scenario	1) non-renewable biomass harvesting; 2) fuelwood burning in traditional open fires; 3) non-CO_2 greenhouse gases (as products of incomplete combustion) diverted from fuelwood burning in traditional open fires; and 4) fossil fuels burning (mainly LPG) Without the project, fuelwood burning in open fires will continue to rise following current trends
Addionality	Barrier analysis:the project could not scale-up without the presence of carbon finance as the initial investment of new *Patsari* cookstoves and further costs for marketing, distribution, installation, quality control, and long term tech support and monitoring are affordable neither by the target population nor by the *Patsari* cookstoves developers. ***Note: No additionality requirement under new rules***
Methodology	The project is covered by an existing Approved CDM Small-Scale Methodology: AMS-II.G
Sources of Finance **Sources of carbon finance** **Indicative CER price**	Project already running albeit very slowly- needs carbon base revenue None 15 US$ tCO_2e

Sustainable development criteria	EXPECTED ENVIRONMENTAL AND SOCIAL BENEFITS
Local benefits	healthy kitchens and better conserved forests, which supply local environmental services, such as water infiltration, soil quality, biodiversity, landscape aesthetics, among others
Socio economic benefits	The less amount of fuelwood needed and/or the less dependence on LPG will reduce the time consuming task of fuel collection, decreasing fuelwood prices and securing a basic human need, such as food.
Consistency with the environmental strategy and priorities of the Host Country	Deforestation and biodiversity loss resulting from woodfuel extraction have been contested issues.Tthe reduced pressure on natural forests due to the project-based fuelwood savings can now be quantified using the spatially-explicit approach. Of this project

Source: cdm.unfcc.int/bazaar

PIN Example -2

Project name : Kinoya Sewerage Treatment Plant GHG Emission Reduction Project

Objective	To recover methane generated by the anaerobic decomposition of organic matter in sludge of an existing sewerage treatment plant.
Proposed description and activities	•The proposed project activity will reduce GHG emissions •(methane in particular) in an economically sustainable manner. •This will also result in other environmental co- benefits, such as improved effluent quality; digested sludge quality and reduced odour. The project activity proposes to move from a potentially high GHG emission option of open air venting of methane to environmentally benign option of capture and combustion of methane.
Technology	Install an enclosed digester gas (biogas) flaring unit which will capture and flare the gas generated by both the existing and proposed digesters
Type of project	GHG Abatement – CH_4 Type : III. Other Project Activities Category : Type III.H - Methane recovery in waste water treatment/Version 13

Project location	The project is located at Suva city, Viti Levu Island, Republic of Fiji Islands with geographical coordinates of latitude and longitude of 18°6'S and 178°30'E respectively
Schedule, **Crediting period**	Earliest project start date 2010 , Expected first year of CER delivery – 2011 10 years (fixed)
Estimates of GHG reduction	Annual: Up to and including 2012: 44938 tons of CO2-equivalent Up to a period of 10 years: 224692 tons of CO2-equivalent
Baseline scenario	In the absence of the project activity, the most likely scenario would have been venting the methane in wastewater & sludge into atmosphere. The project activity involves capture and flaring of methane generated from anaerobic digesters
Methodology	Approved small scale methodology AMS III.H/ version 13, EB 48, – Methane recovery in wastewater treatment

Thank You