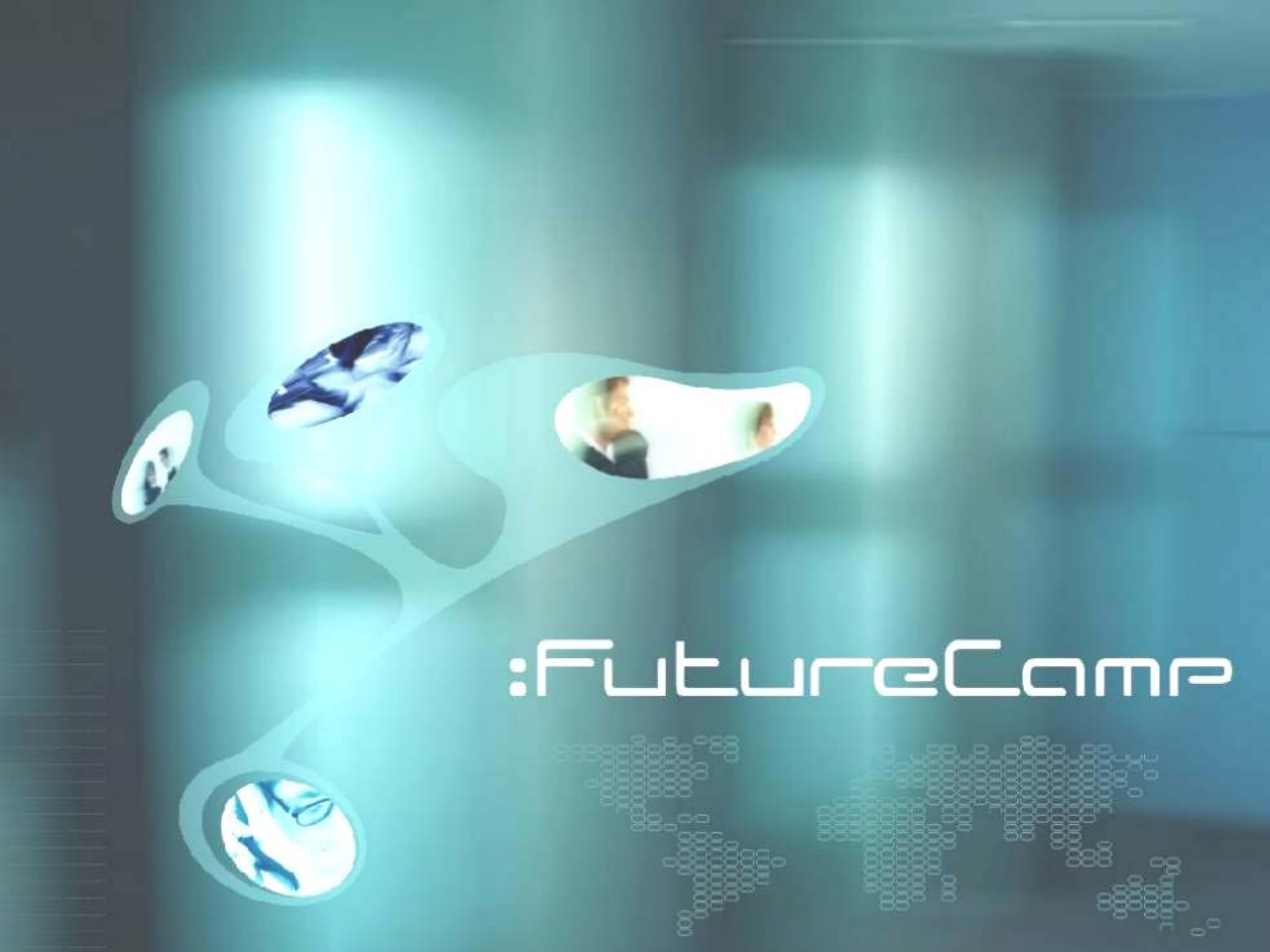
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# The Programmatic Approach to Joint Implementation Projects – Experiences and Results from Projects in Germany

Climate Change III in South-Eastern European Countries:
Causes, Impacts, Solutions

18-19 September 2008, Graz

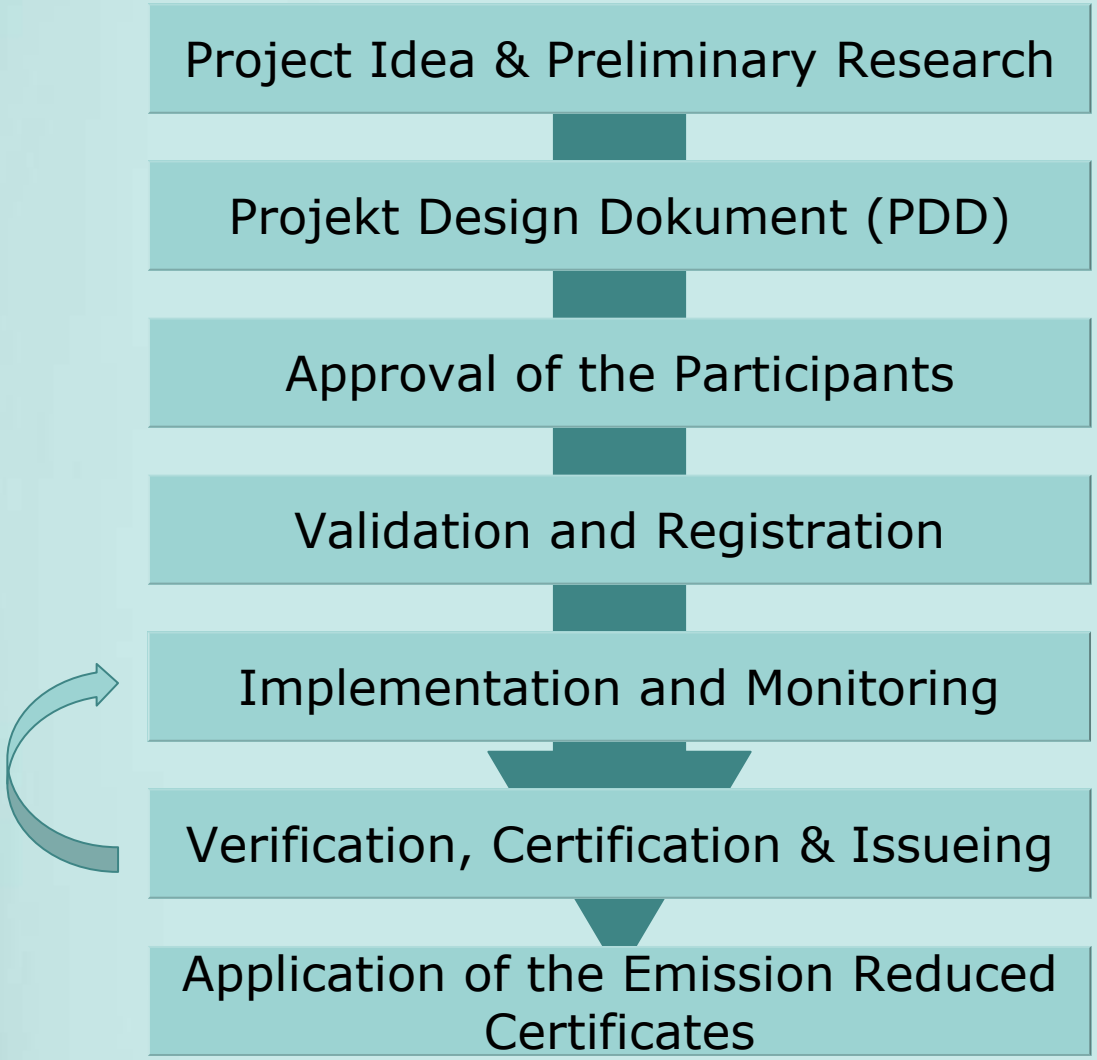
Desislava Tomova, FutureCamp GmbH

# Contents

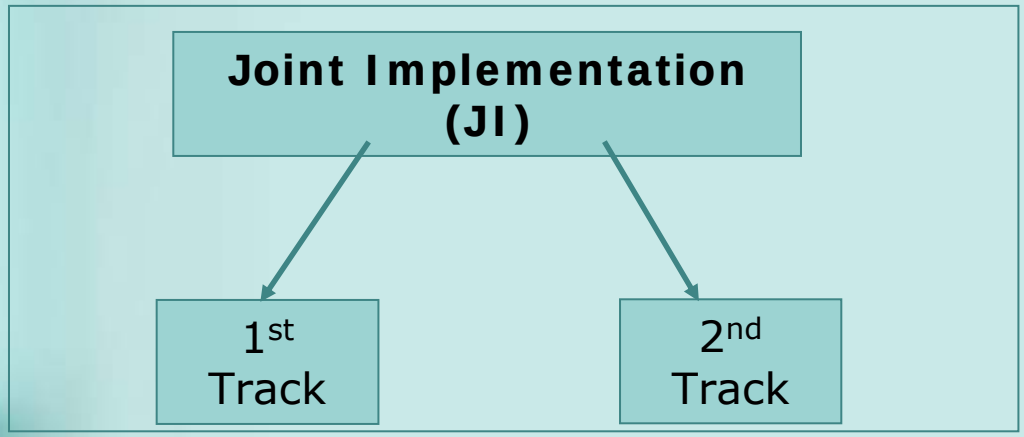
# Clean Development Mechanism (CDM) & Joint Implementation (JI)

- Voluntary projects
- Industrial Countries / Companies finance projects
  - in Developing countries (CDM) or
  - in industrial countries (JI)
- Showing emission reduction
- Certifying the emission reductions
  - Certified Emission Reductions (CDM)
  - Emission Reduction Units (ERUs – JI)

# Overview of the Project process of JI Projects



# JI-Project types




- JI 2nd Track
  - Involvement of the JI-Supervisory Committee (JISC) required
- JI 1st Track
  - Depends on the regulations of the host country and the investor country

# PoA: Essential Background

- Technical terms:
  - PoA – programme of activities
  - JPA – JI programme activity (= JI project activity under a PoA)

- Executive Board Design Document Form:
  - JI-JPA-DD (JI Programme Activity Design Document form)

# Programme of Activities (PoA)

| | Programme of Activities[2] |
|---|---|
| | Number of project activities unlimited |
| | Every new project activity requires an additional PDD |
| | Assumed amount of emission reductions |
| | **Project examples** |
| | **JI:** Pilot programmatic Joint Implementation project in North Rhine-Westphalia (JIM.NRW) - Energy efficiency measures in steam production and heat production<br>Emission reduction: approx. 244,400 t CO2 (08-12)<br>Measures expected: ~ 110 |

[2] Guidance on registration of project activities under a programme of activities as a single CDM project activity, Annex 38, EB 32

# PoA - German Experiences

- No further validation of CPAs required, is done in course of verification
  - Monitoring:
    - only verification of control samples (10%)
    - only once per year
  - Future project activities monitored in database as defined in the CPA

- Combination of two different measures under one PoA possible (JIM)

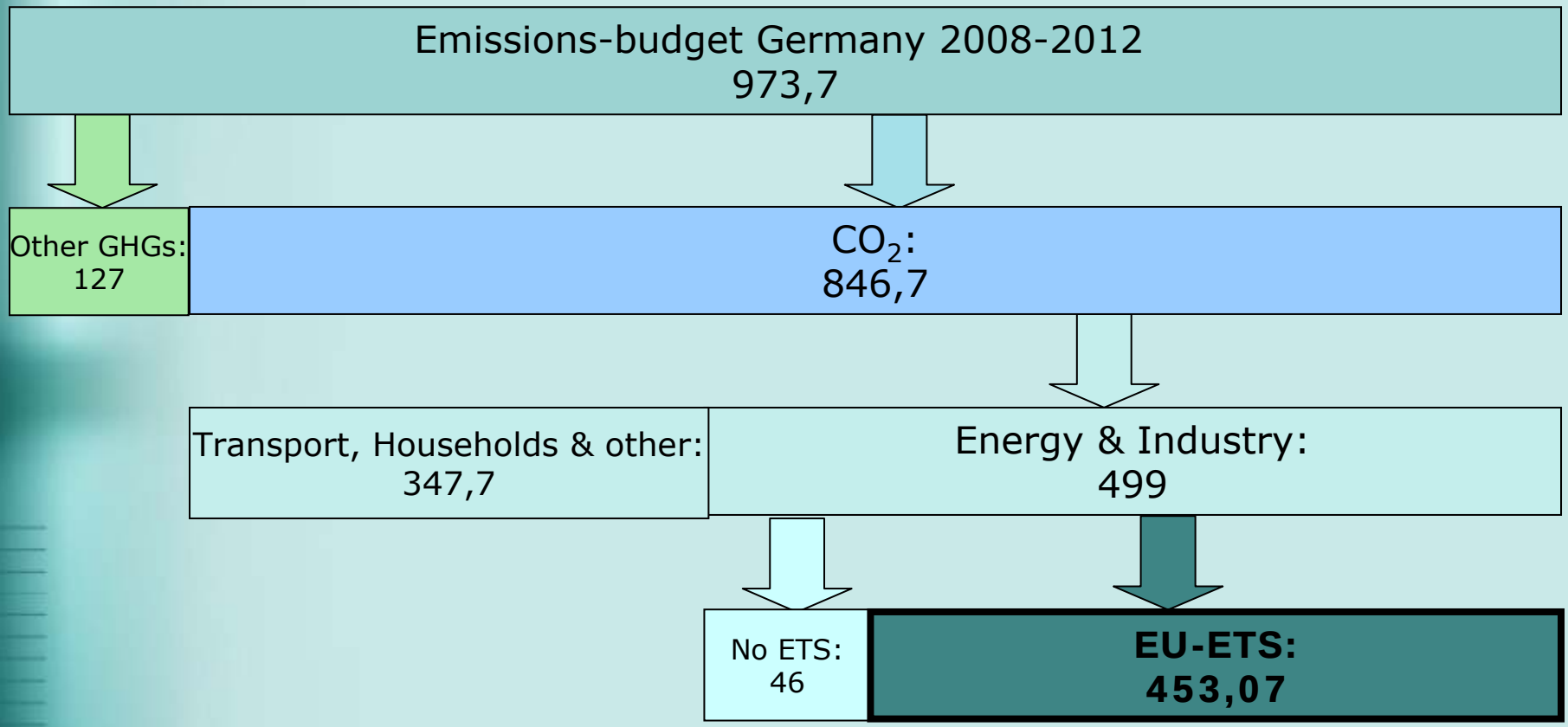
# JI & PoA - Experiences in Germany

- Critical aspects regarding additionality:
  - relation JI / supporting mechanisms (renewable energy law)
  - dynamic energy efficiency obligations due to German regulations (BImSchG)
  - common practice
  - relation to national emissions inventory
- First Projects: Delays for LoEs, basic questions to solve
- JISC at present does not have the mandate regarding PoAs (-> Track 2 not possible)
- German DEHSt supports only Track 1 procedures for PoAs
- Annex 38/39 decisions from CDM applicable for PoAs in Germany

# Time planning

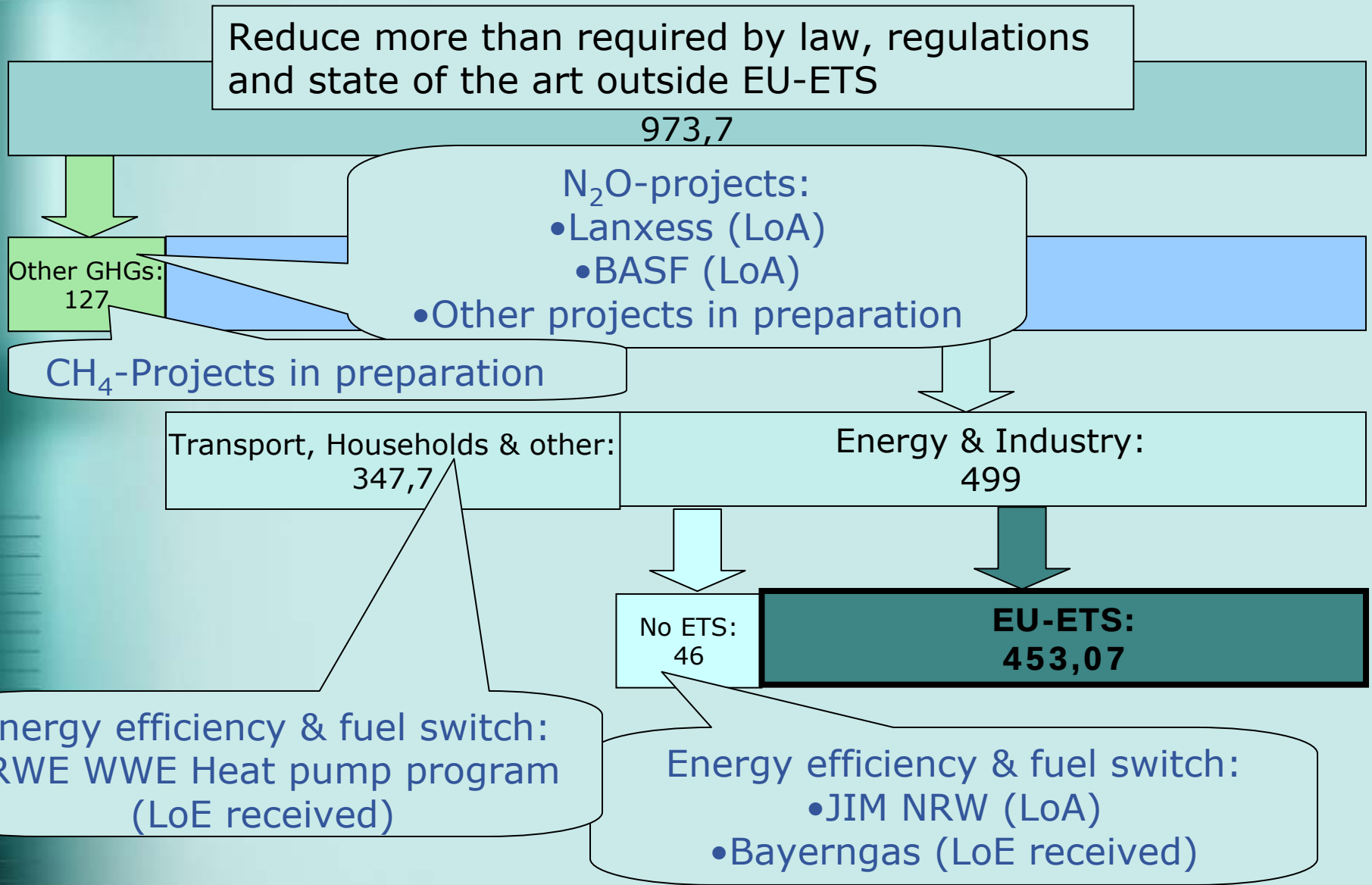
- Total time from PIN to Project Registration can be 9-12 months
- Big fluctuations are possible
- Recommendations:
  - Start as soon as possible,
  - Because of limited time for JI projects
  - As well as longer coordination processes with the authorities and data collection and exchange,
  - Etc.

# JI Projects in Germany – Opportunities?

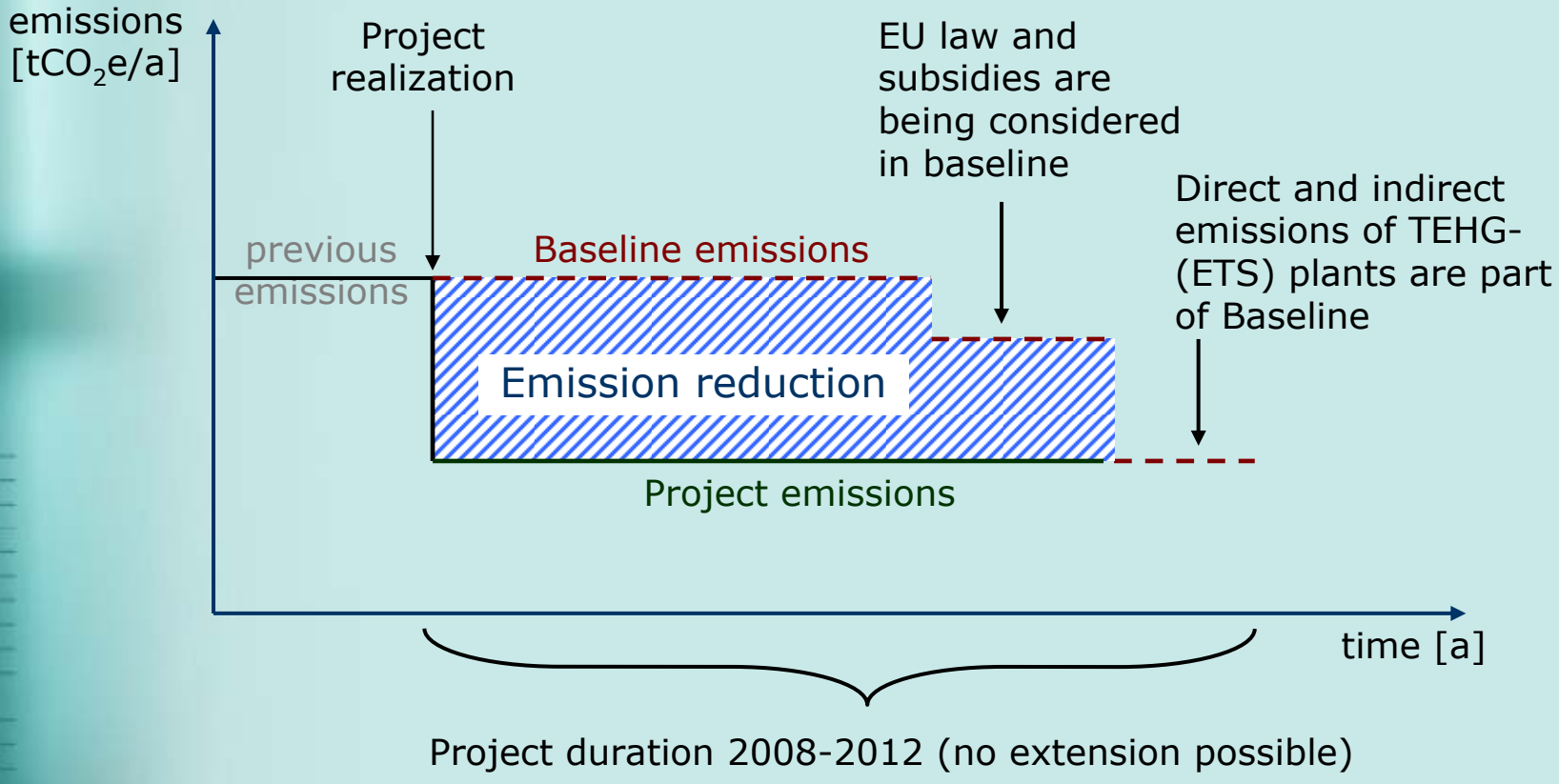



Source: BMU
all data in Mio. t $CO_2$e

# JI Projects in Germany – Opportunities?



# JI Projects in Germany: Requirements for Calculation of Baseline and Emission Reduction



# JI Pilot Project NRW – JIM.NRW (1/4)

- Early renewal and modernization of heat and steam boilers with and without fuel switch
- Target group/actors: Small and medium companies as well as public utilities in North Rhine-Westphalia (NRW)
- Programme manager: Energieagentur.NRW
- Objectives:
  - Attracting investments to NRW
  - Providing support for technology change
  - Obtaining refunding via international emissions trading
  - Strong (regional) publicity effects
  - Support for political goals by embedding of JIM.NRW into the NRW energy and climate strategy
  - Very substantial effects on innovation

# JI Pilot Project NRW – JIM.NRW
## Project Description (2/4)

- Emission reductions via
  - Improved annual use efficiency of boilers = efficiency improvement
  - Reduced $CO_2$ emissions because of lower emission factor in case of fuel switch

- Expected emission reductions of 250.000 t $CO_2$e in 2008-2012→ 3.750.000 Euro for the period (15 Euro per tCO2)


Bali, Dec. 2007: Side Event of DEHSt in regards to PoAs, EU Pavillon.

# JI Pilot Project NRW – JIM.NRW
# Concept (3/4)

## Methodology

- JI-Project in Germany along the lines of ProMechG
- Implementation according to "Programmatic CDM"
- Exclusion of double counting and double preferential treatment via established criteria for participation
- Illustration of additionality via „Additionality-tool" of CDM-EB

## Organization

- EnergieAgentur.NRW manages the all-over process
- Ex-post payment to single participants in the amount of realized reduction volume
- Highly standardized methods of calculation of reduction volumes
  - Simple calculation scheme and
  - Monitoring
- Transaction costs covered by NRW

# Organisational Structure: JIM.NRW





**Foreign project partner**

€ ↓ ↑ **ERUs**

**Project Manager Energieagentur.NRW**

Steady processing of project, contact with authorizing bodies

€ ←

→ **ERUs**

**Certificate buyer(s)**

€ ↓ ↑ Transfer of reduction

Emission reduction remains with project participants

# JI & PoA in Germany - Conclusions

- PoAs enable important sectors and players access to Kyoto mechanisms, they help to become more active
- PoAs are a good vehicle to address „mass small mitigation potentials" – in combination with business aspects
- Applicability of baseline & additionality must be assured for all activities but complexity of the process shall be kept at reasonable levels (i.e. regarding verification procedures & documentation)
- JI:
  - At present Track 1 pre-condition for JI-PoAs
  - mandate for JISC necessary to enable PoAs in all JI countries

# PoA in Bulgaria - Thoughts

- PoAs under JI can play a role in Bulgaria

- Potential fields:
  - Decentralized renewable electricity and/or
  - Renewable heat/cooling
  - Energy Efficiency
  - Transportation
  - Great biomass potential
  - ...

- Other questions to be addressed, e.g.
  - Project manager? Institutions?
  - Adaptation to Bulgarian´s needs
  - ...

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