

Perspectives of JI and Green Investment Schemes in Belarus

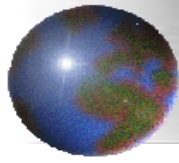
Ministry of Environment of Belarus
UN Development Programme

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Manager

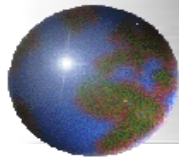
Kyoto Capacity Building Project





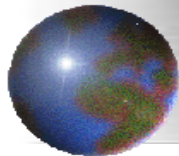
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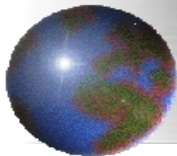
Introduction: welcome to Belarus





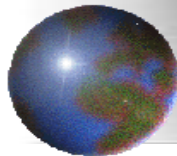
Belarus in climate agreements

May 9, 1992	Adoption of the UNFCCC
June 11, 1992	Belarus signed the UNFCCC
December 1997	Adoption of the Kyoto Protocol to the UNFCCC
April 10, 2000	Belarus approved the UNFCCC
August 9, 2000	Belarus became a full Party to the UNFCCC
September 5, 2003	The year 1990 was determined as a base year for Belarus
February 16, 2005	The Kyoto Protocol entered into force after Russia ratified it
August 12, 2005	Belarus ratified the Kyoto Protocol by accession
November 24, 2005	The Kyoto Protocol entered into force for Belarus



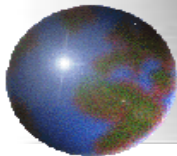
Belarus and Annex B

December 9-10, 2005	Decision 32/CMP.1 acknowledges the intention of Belarus to be assigned GHG emission limitation and reduction commitments of 95 per cent of the 1990 level
February 2006	Belarus communicates to the UNFCCC Secretariat the text of the respective amendment
November 17, 2006	Decision 10/CMP.2 adopts the amendment assigning GHG emission limitation and reduction commitments of 92 per cent of the 1990 level and invites Parties to ratify, accept or approve it
April 30, 2007	Belarus ratifies the amendment by the Presidential Decree
May – October, 2007	Czech Republic ratifies the amendment. Group 77 makes a corporative decision on ratification of the amendment
2008	Ratification of the amendment by 75% of Parties of the Kyoto Protocol is expected



UNFCCC and Kyoto provisions

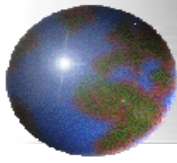
- Belarus established all necessary UNFCCC components
 - Designated Focal Point
 - National GHG Inventory System
- Belarus meets all Kyoto Protocol requirements
 - Implementation of national policy and measures (Article 2)
 - Meeting quantified GHG emission limitation and reduction commitments (Article 3)
 - Compliance with other eligibility requirements under the Kyoto Protocol
- Belarus continues to be in compliance with all provisions of UNFCCC and Kyoto Protocol



Belarus and the 6 eligibility requirements

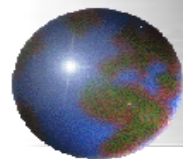
a) Should be a party to the Kyoto Protocol	✓
b) The quantified emission limitation should be set and registered	?
c) A national GHG inventory system should be created	✓
d) A national registry of carbon units should be created	✓
e) Should annually submit the latest required GHG inventory	✓
f) Should submit additional information on assigned amounts	✓

The DNA responsible for approval of JI projects	✓
National guidelines and procedures for JI projects approval	✓

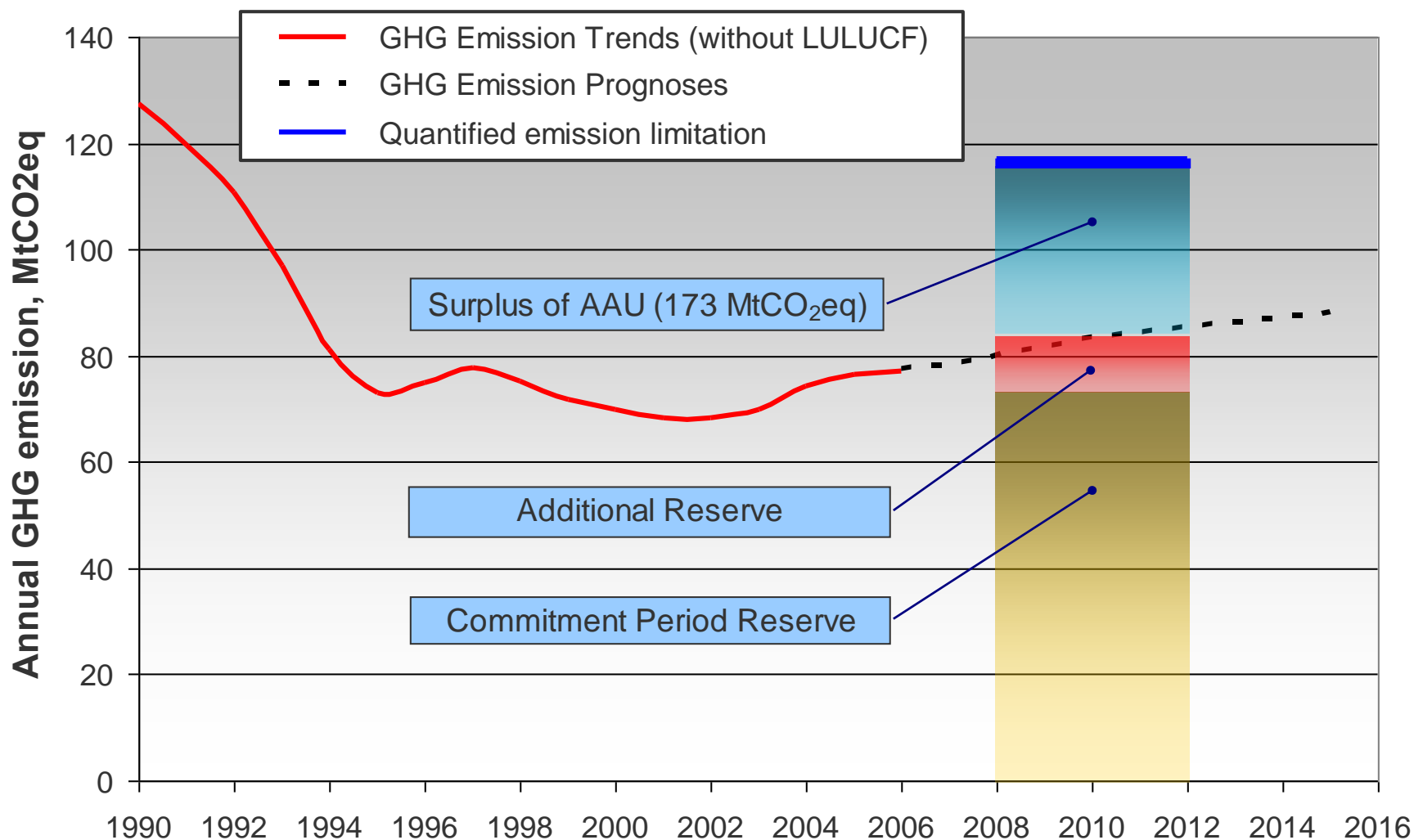


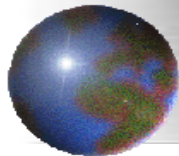
How much Belarus have for trading

- Commitment period assigned amount
 - 586 MtCO₂eq.
- Commitment period reserve
 - 372 MtCO₂eq.
- Additional reserve
 - 41 MtCO₂eq.
- Surplus of the assigned amount of GHG emissions
 - 173 MtCO₂eq.
- GHG emissions from all sources
 - 415 MtCO₂eq. (2008 to 2012)
- Potential excess allowances
 - 171 MtCO₂eq.

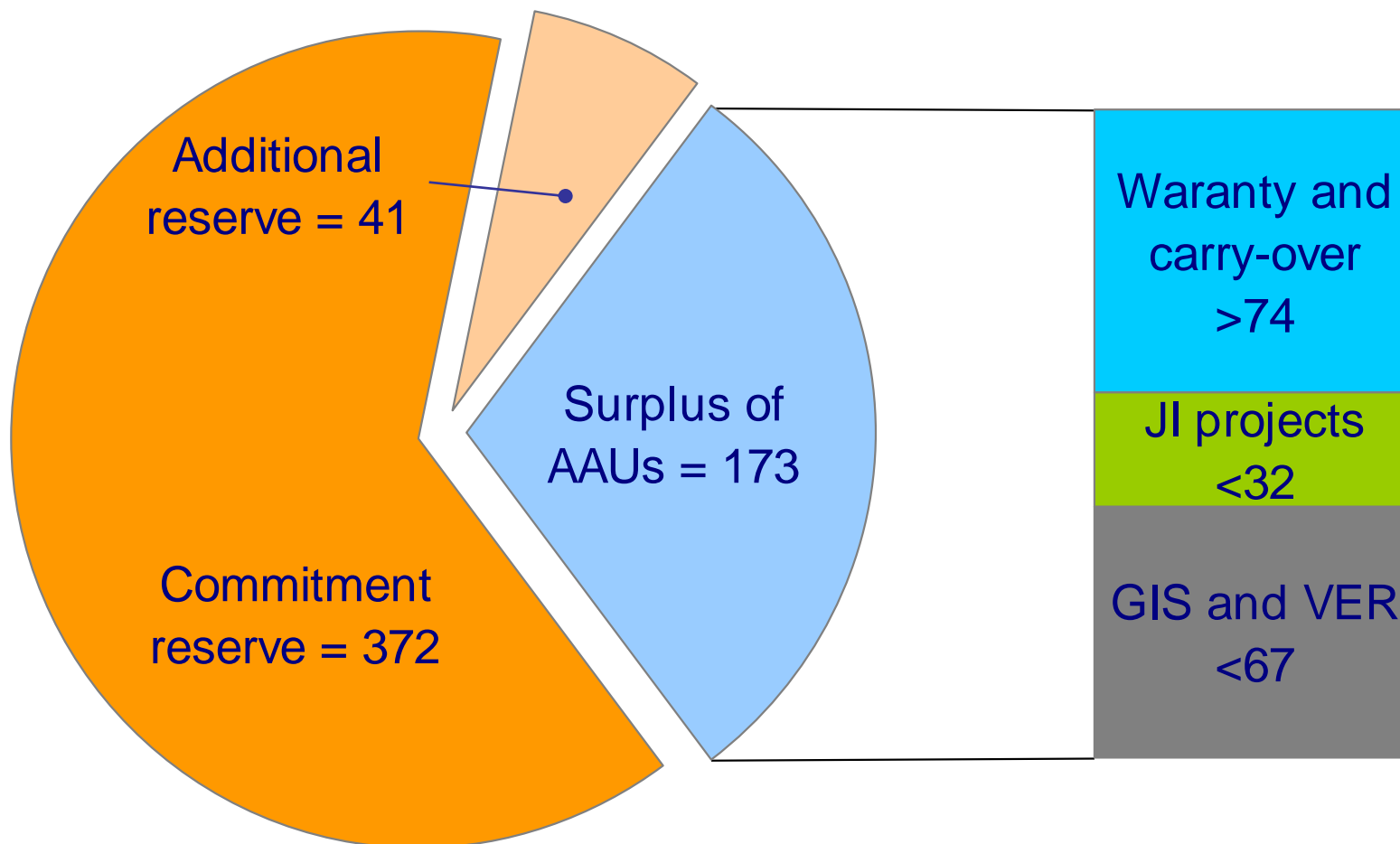


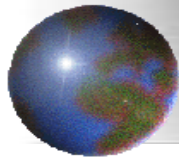
GHG emission trend and forecast





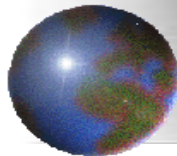
Quantified emission allowances = 586 MtCO₂



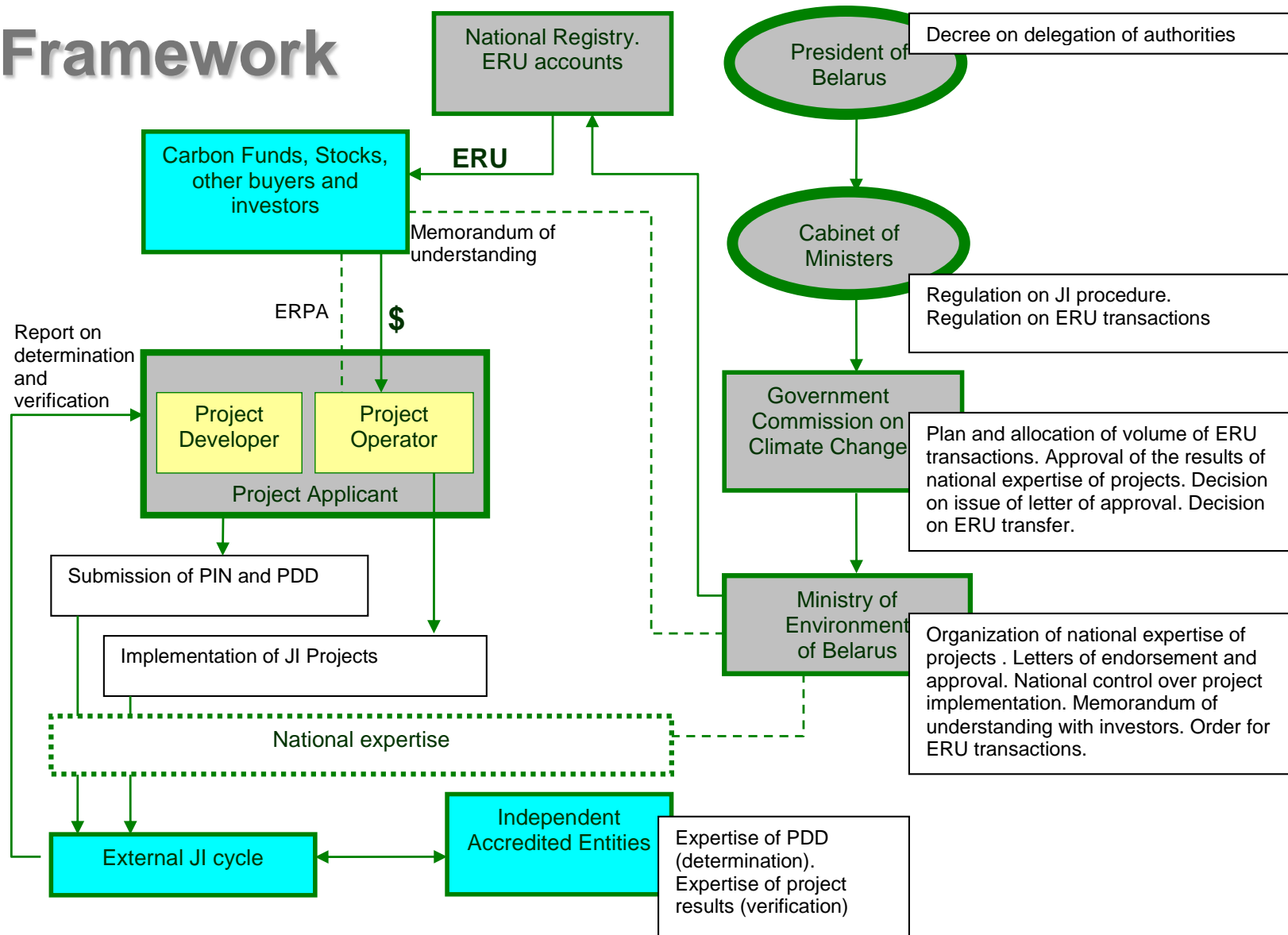


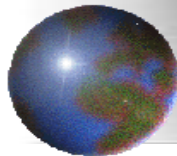
Major principals for JI in Belarus

- Large projects and bundled projects
- Track II to be switched to Track I (still Track II remaining available)
- Peer expertise by respective authorities / ministries:
 - responsibility and professional review
 - review, control, and audit of project development and implementation
 - review, control, and audit of financing facility
 - no double counting
- Political support
- Simple and transparent structure for decision making



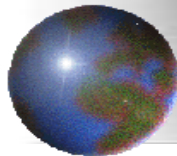
JI Framework



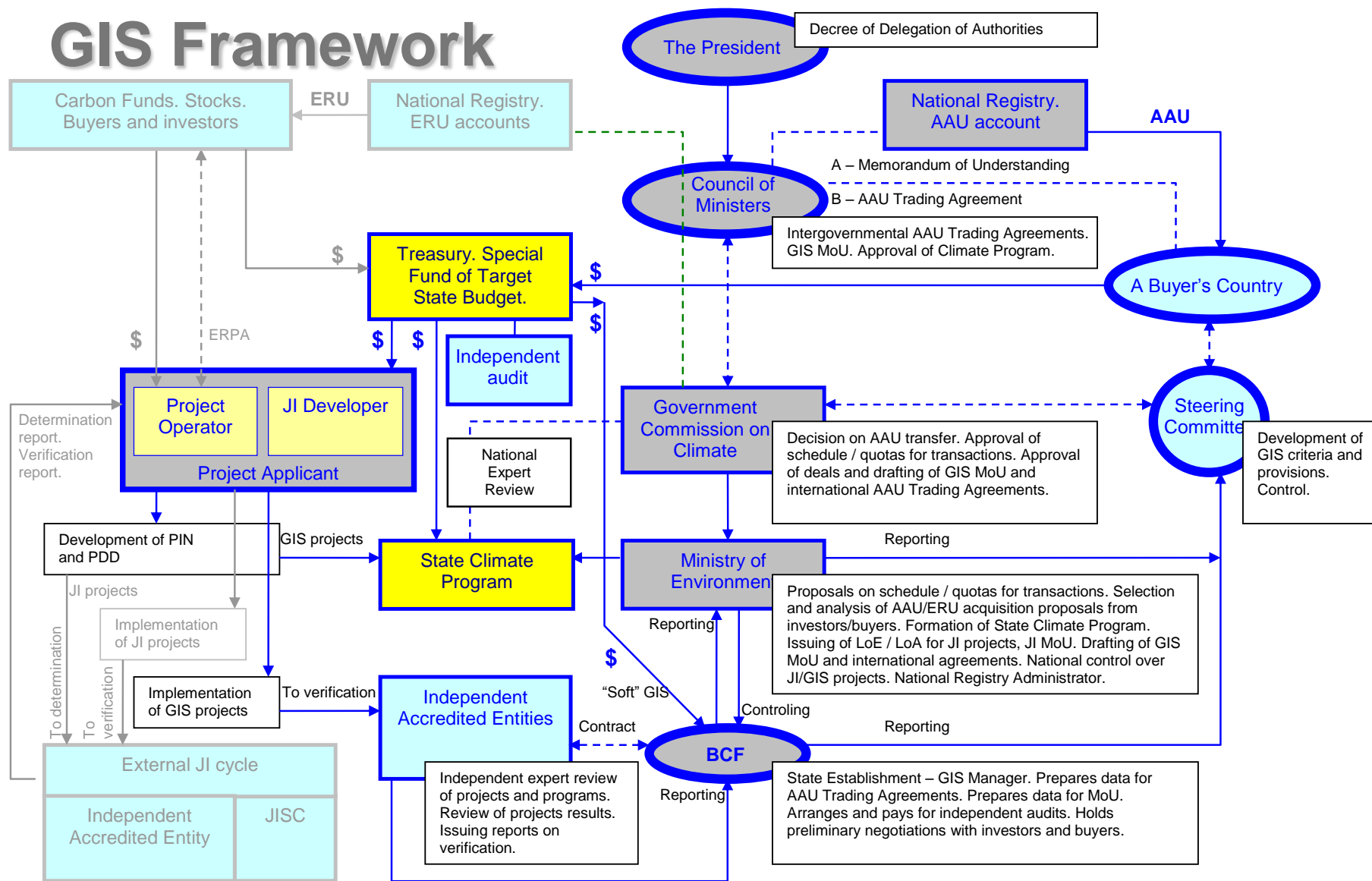


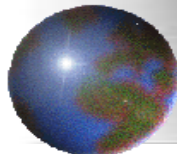
Major principals for GIS in Belarus

- Exclusively “hard greening” projects (decision 10.CMP.2)
- Programme based (bundled and / or complex projects)
- Public funds (state budget) of parties to the Protocol are respected as Belarusian state budget:
 - responsibility
 - review, control, and audit of project development and implementation
 - review, control, and audit of financing facility
 - no double counting
- Political support
- Simple and transparent structure for decision making



GIS Framework

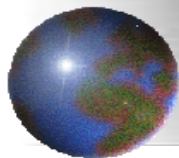




Institutional and legal framework

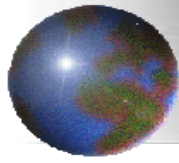
- DNA/DFP – Ministry of Environmental Protection
- National GHG ET Registry – Belarusian Center “Elologia”
- Management – National Carbon Financing Agency

Procedure	JI	GIS	VER
Simplified PIN + LoE and Web announcement to attract buyers			
PDD + LoA and Web announcement for comments			
Memorandum of understanding (WR – where requested)	WR		WR
Validation and verification by AIE+JISC			
Validation and verification by AIE			
ERPA between a project host and a buyer			
Trading agreement			



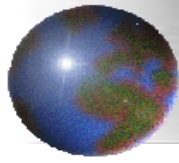
Projects by financing scheme (recommended)

Criteria	JI / VER project	GIS project
Type of project	Separate project, bundled projects	Group of non-same-type projects, entire programme
Scale	Enterprise	Region, country
Project commencing	Years 2007-2010	May begin later than 2012
B&M methodology	Exists or can be developed	Absent or difficult to develop
Number of ERUs	At least 150,000 (JI) At least 20,000 (VER)	No limits. Other effects possible
Verification	Easy	Difficult or impossible
Economic viability	Viable if ERUs are involved	Non-viable or high risk of incorrect assessment



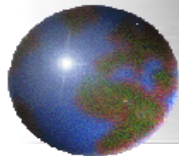
Belarus' peculiarities: challenges

- Little experience (learning stage) – many immature project proposals, which need more details on site, equipment, consumers, baseline emissions etc.
- Lack of well grounded additionalities
- Business-as-usual investor vs. Belarus:
 - Low interest in capital investments, equity and capital shares, especially in state-owned industries
 - High country risk due to “golden share”
- Belarus is not a big seller and is not able to influence the situation in the market and prices



Belarus' peculiarities: advantages

- Focus is on the quality of carbon credits offered to buyers
- Flexibility and ability to quickly adapt to buyers' demands
- High executive discipline
- Internal expertise and peer review of projects by respective agency
- Further responsibility of the agency for proper implementation of the projects



Conclusion: welcome to Belarus

