



Government of Pakistan
Ministry of Environment

Project Development Guidelines and CDM Activities in Pakistan

Overview of Presentation

- **Part 1: Project Development Guidelines**
 - CDM Project Identification in Different Eligible Sectors
 - Development of Project Idea Note (PIN)
 - Preparation of Project Design Document (PDD)
 - Host Country Approval
 - Validation of Project
 - Registration of Project
 - Monitoring of Project
 - Certification and Issuance of CERs
 - Time Required for Different Component within CDM Project Cycle

• Part 2: CDM Activities in Pakistan

• Strengthening of CDM in Pakistan

- Establishment of CDM Cell in the MoE.
- Japanese PHRD Grant through World Bank for Capacity Building in CDM in Pakistan,
- MoU with Japan Bank for International Cooperation.

• CDM Projects in Pakistan

- Catalytic Nitrous-oxide Abatement Project. at Pakarab Fertilizers, Multan.
- Cattle Waste Management, Landhi Cattle Colony, Karachi.
- 84 MW, New Bong Escape Hydropower Project, AJK.
- CDM Projects in Pipeline.



Part 1: Project Development Guidelines

• CDM Project Identification Different Eligible Sectors

- Unilateral, Bilateral and Multilateral CDM Projects allowed in following sectors
- **Energy**
 - Renewable/alternate energy,
 - Energy efficiency/conservation, and
 - Fossil- fuel cogeneration
- **Waste Management**
 - Landfill gas capture
 - Recycling
 - Energy from solid waste etc.
- **Transportation**
 - Alternative fuel vehicles
 - Mass transit systems
 - Cleaner engines, CNG
- **Industrial processes (Cement, Fertilizer, Textile etc.)**
- **Land Use, Land Use Change and Forestry (watershed management, sustainable forest management, afforestation and reforestation)**
- **Agricultural and livestock practices**
- **Any other project resulting in GHG mitigation or carbon sequestration.**

- **Development of a Project Idea Note (PIN)**
 - PIN provide basic information about proposed CDM project activities including
 - General information about project
 - Information about project cost
 - Estimated GHGs Reduction in tons of C eq/year,
 - Estimated number of CERs/year,
 - Suggested crediting life time of the project
 - Environmental and Socioeconomic benefits of project etc.
 - PIN is used to obtain a letter of endorsement from the DNA

- Preparation of a Project Design Document (PDD)
 - Website: <http://cdm.unfccc.int>
 - Methodologies
 - Baseline
 - Monitoring
 - **Project Additionality**
 - Project should be additional to “business as usual scenario”
 - Tool for the demonstration and assessment of Additionality are available for all CDM Project Methodologies on available at
(<http://cdm.unfccc.int/Reference/guidclarif/index.htm>)

- **Host Country Approval**

- **Host Country Approval Criteria**

- General Criteria
 - Environmental Criteria
 - Social Criteria
 - Economic Criteria
 - Technological Criteria

- **Validation**

- Executive Board (EB) Designated a third party called Designated Operational Entity (DOE) carried out validation for CDM Project Activities.
 - A list of DOEs is available at

(<http://cdm.unfccc.int/Reference/guidclarif/index.htm>)

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- **Registration of Project**

- After Successful Validated and Host Country Approval CDM Project will registered by the CDM Executive Board

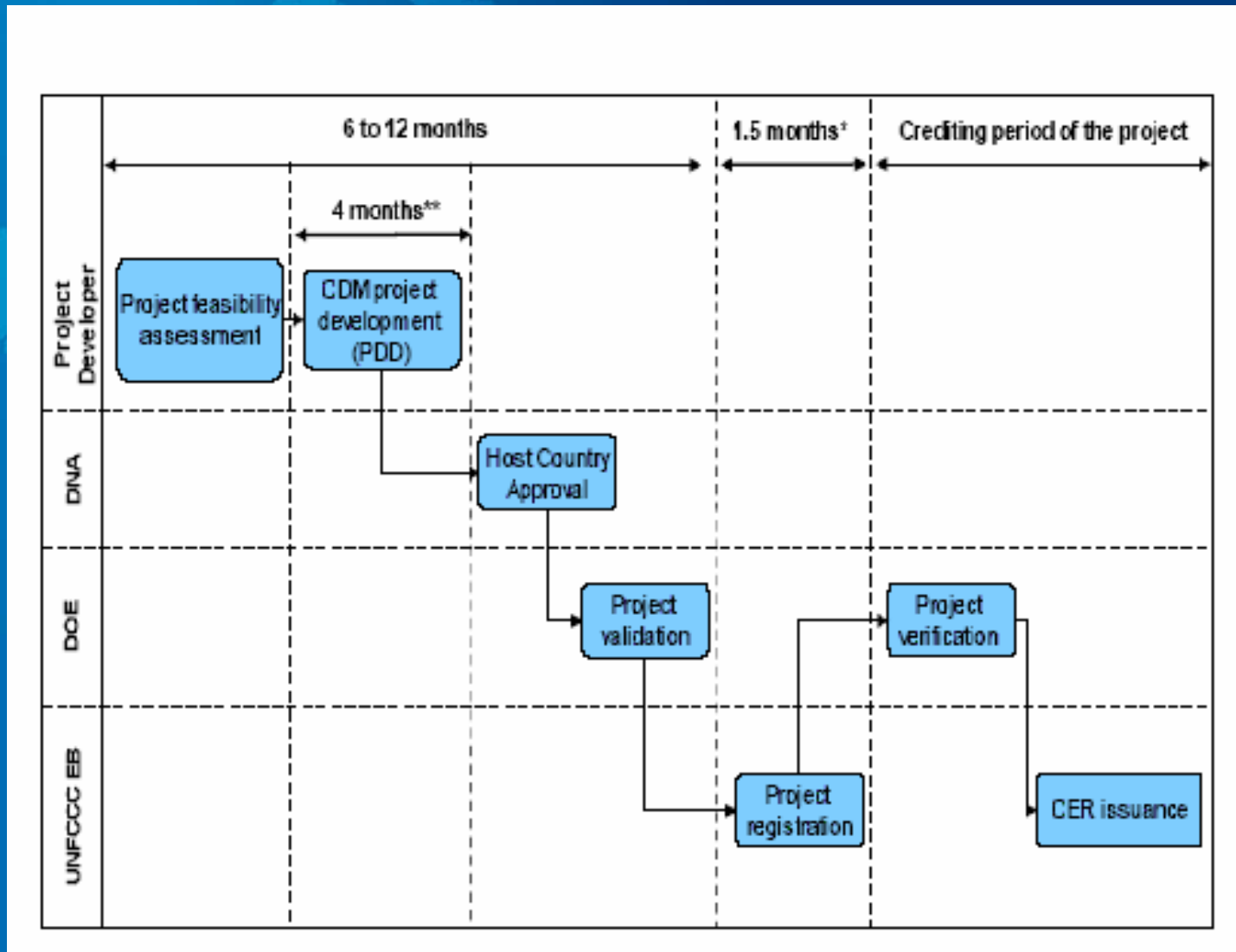
- **Monitoring of Project**

- Project performance, including baseline conditions, is measured by the project proponent in the commissioning process and during on-going project operation.

■ **Certification and Issuance**

- Based on the successful compilation and satisfactory report of the following;
 - Host Country Approval
 - Project Validated
 - Verification of project performance,
 - CERs are certified by a DOE and issued by the CDM Executive Board.

Time Required for Different Component within CDM Project Cycle



* can be extended depending on the EB decision

** for each submission and additional to normal process

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Part 2: CDM Activities in Pakistan

Project: Establishment of CDM Cell in the MoE

Funding: Public Sector Development Programme (PSDP)

Period: 3 years (July 2006 - June 2009).

Budget : Rs. 38.93 million.

Objectives:

- Strengthening of Clean Development Mechanism (CDM) Cell in the Ministry for implementation of Pakistan National Operational Strategy for CDM.
- Capacity building and awareness raising of public/ private stakeholders in CDM activities under the Kyoto Protocol of UNFCCC.

Progress made so far:

- Three CDM Experts (Forestry/ Agriculture, Energy, Waste Management, Industrial/ Chemical), One Communication Officer and a Web Developer along with supporting staff have already joined.
- Office has been established and procurement has been completed.
- Organized two CDM Awareness Raising Workshops
- Given Two CDM Projects to Host Country Approval

Project: Japanese PHRD Grant through World Bank for Capacity Building in CDM in Pakistan.

Period: 18 Months (Financial Year 2007-09)

Cost: US\$ 570,000

Objectives:

- Strengthening of institutional framework and enabling environment to promote public and private participation in the carbon market ,
- Training/workshops for enhancement of capacities of local stakeholders (public institutions, private investors, NGOs etc.) in CDM project development.
- Support CDM project preparation and development in priority sectors: energy, waste management, industries, forest and agriculture).

Progress made so far:

- Action Plan finalized.
- Formal Grant Agreement has signed in March 2007 between Government of Pakistan and the World Bank.
- International Consultant Firms for execution of project is being short-listed
- Technical and Financial Proposal will be opened on 3rd week of September, 2007.

Mutual Cooperation on CDM

Memorandum of Understanding (MoU) on Cooperation in CDM with Japanese Carbon Fund (JCF) through Japan Bank for International Cooperation (JBIC) will be signed in October, 2007.

Objectives:

- To explore and create more project opportunities in Pakistan through the Clean Development Mechanism
- To provide opportunities for JCF and other potential Japanese investors and suppliers to purchase Certified Emissions Reductions (“CERs”) from these projects.

Other Related Activities

- A number of international consulting firms/investor groups started their operations in Pakistan.
- An MoU for promotion of CDM with Government of Germany (Under process).
- An MoU for promotion of CDM with Japan Bank for International Cooperation (expected in October 2007).

Project 1: Catalytic Nitrous- oxide (N₂O) Abatement Project in the Tail Gas of the Nitric Acid Plant of Pakarab Fertilizers, Multan

- Submission Date: 24th March 2006
- Approval by the Ministry: 27th April, 2006
- Sponsoring Agency: Pakarab Fertilizers Ltd. (Pvt.), Multan
- Co-sponsor: Mitsubishi Corporation, Japan
- Total Cost of Project: 15 million US\$
- Total Emission Reduction: 1.3 million tCO₂ eq/annum
- Starting Date : 1st January 2007
- Expected Revenue from the Sale of CERs: US\$ 13 million/annum

Project 2: Cattle Waste Management, Landhi Cattle Colony, Karachi

- Submission Date: 10th March 2007
- Approval Date: 2nd April, 2006
- Sponsoring Agency: Empower Consultants
Representing New Zealand
Agency for International
Development (NZAID).
- Co-sponsor: City District Government of
Karachi (CDGK)

Society for Environmental
and Economic Improvement of Cattle
Colonies in Karachi (SEEICCK),
representing communities

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- Total Cost of Project: 102.15 million US\$.
 - Total Emission Reduction: 1.53 million tons CO₂ eq/annum.
 - Starting Date of Project: 1st April, 2009.
 - Project Benefits:
 - 43.80 million US\$ (Sale of organic manure (@ Rs. 5/Kg).
 - 8.75 million US\$ (Sale of 25 MW Electric Power to KESC)
 - 15.31 million US\$ (Sale of Carbon Credits @ US\$ 10/Ton of CO₂eq).
- Total estimated annual revenue 67.86 million US\$.

Project 3: 84 MW. New Bong Escape Hydropower Project, AJK

- Submission Date: 3rd April 2007
- Approval date by the Ministry: 25th May 2007
- Sponsoring Agency: Laraib Energy, Pakistan
- Co-sponsor: Govt. AJK
- Total Cost of Project: 148.55 million USD
- Total Emission Reduction: 0.22 million tCO₂ eq/annum
- Starting Date : December 2009
- Expected Revenue from the Sale of Electricity: US\$ 25.24 million/annum
- Expected Revenue from the Sale of CERs: US\$ 3.3 million/annum

Total estimated annual revenue 28.54 million US\$.

CDM Projects in Pipeline

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- More than 20 CDM Projects are in Pipeline in different sectors
 - Energy (Efficiencies/Renewable/alternate energy) 18 Projects
 - Waste Management/Industrial Processes 07 Projects



THANK YOU