

**Asia and Pacific Regional Workshop:
Promoting CDM and Market Mechanisms**

**Armenia's experience in submitting
a standardized baseline**

**Rubina Stepanyan
Climate Change Program Associate**

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ARMENIA



General Introduction



Territory	29,743km²
Population (1000 persons)	3 026.9 mln
GDP (million USD)	9950
GDP (per capita)	6508
GDP index (%)	107.2
Export (million USD)	1380
Import (million USD)	3739
External state debt (million USD)	402
Structure of the GDP of Armenia (%)	
Industry	17.2
Agriculture	19.1
Construction	13.2
Services	42.7
Net taxes	7.8

Climate Change Status

- ❑ Association to the Copenhagen Accords is accepted as NAMA framework (2010), however it has to be reviewed and amended with quantitative goal.
- ❑ Armenia's position and statements are included in following documents: **FCCC/AWGLCA/2011/INF.1** and **UNFCCC/SBI/2013/inf.12/Rev.2** compilation packages

Climate Change Status

Armenia in its National Communications and Ministerial Statements on COPs emphasized that:

- ❑ Country prioritises transformation to the Low Carbon Development, however adhering to the “common but differentiated responsibilities” due to historically different level of responsibility of countries.
- ❑ In case of adequate financial and technical support, Armenia as a non-Annex I Party under the Convention, is ready to assume GHG emissions reduction quantitative contributions.

Climate Change Initiatives

- ❑ In October 2012 the Government of Armenia established an Inter-Agency Coordinating Council on Climate Change
- ❑ Initiated consultations with support of GIZ and UNDP on Low Carbon development, NAMA and INDCs
- ❑ Developed the first NAMA in EE housing sector and send it to the NAMA registry
- ❑ With technical assistance from BMUB started project on formulation of INDCs.

Climate Change Initiatives

- ❑ In May 2014 Armenia launched preparation of the Biannual Update Report (BUR) under UNDP-GEF project, aimed at
 - to update the National GHG Inventory for the period of 2010-2012,
 - provide information on progress in GHG mitigation policies and actions and
 - provide recommendations for addressing needs.
 - contribute to the information dissemination and shaping institutional arrangements and legal framework for establishment of domestic MRV system.
- ❑ Submitted SB on Grid Emission Factor for the electricity system of the Republic of Armenia for 2012 under CDM

Overview about DNA in Armenia

- ❑ Established in September 2003
- ❑ Ministry of Nature Protection of RA is the DNA of CDM
- ❑ DNA is actively engaged in:
 - Negotiations with international organizations, potential investors and develops strategic directions for implementation of CDM projects
 - Ensuring the efficient participation of the Republic of Armenia in international processes of the CDM
 - Approving the CDM PA according to their contribution to the sustainable development objectives of the country
 - Identifying potential CDM projects and verification of CERs
 - Preparation of national communications
 - Endorsement and submission of SB

CDM Projects in Armenia

Armenia has 6 registered CDM projects

- ❑ Nubarashen Landfill Gas Capture and Power Generation Project (ACM0001, 1 project)
- ❑ Lusakert Biogas Plant Methane Capture and Combustion from Poultry Manure Treatment (AM0016, 1 project)
- ❑ Small-scale hydroelectric grid connected renewable electricity generation projects (AMS-I.D. 3 projects)
- ❑ Reduction of Methane Emissions in Gas Distribution Network (AM0023, 1 project)



Benefits of Developing Standardized Baseline

- ❑ **Improved efficiency:** e.g. reduce transaction costs and streamline procedures for project implementation
- ❑ **Greater objectivity, transparency, consistency and predictability** at project implementation stage.
- ❑ **Reduced transaction costs** at project implementation stage → reducing barriers for project implementation
- ❑ **Improved regional and sectoral distribution** → access to underrepresented areas (e.g. LDCs) and sectors (e.g. transportation and buildings)
- ❑ **Ensured environmental integrity and attractiveness for investors**

Benefits of Developing Standardized Baseline – for Armenia

- ❑ SB will help to scale up mitigation activities
- ❑ SB will provide a simpler access to the CDM and encourage the installation of less emitting technologies and fuels for power generation in Armenia
- ❑ DOEs without experience in the CIS and Eastern Europe may fail to fully grasp the way power sector operates in Armenia
- ❑ Armenia has less than 10 registered projects as of 31 December 2010, so external review/assessment report by DOE is not required in up to the 1st 3 submission of a proposed SB regardless of the sector for the Party.
- ❑ No fee is payable to the secretariat for the submission of the 1st SB

Standardized Baseline for the Power Sector - Grid Emission Factor of Armenia

- ❑ DNA of Armenia has taken initiative in developing and publishing the Grid Emission Factor of Armenia for 2009, 2010 and 2011
 - collecting the data for the calculation of the emission factor from the Ministry of Energy and Natural Resources of RA, the Public Services Regulatory Commission of RA and other official sources
 - preparing the report
 - publishing the data

However, the validation of the EF was done as part of project CER verification

- ❑ 2014 DNA requested assistance from UNDP to develop SB for the Armenian grid emission factor

Experience while making SB

Title:	Grid Emission Factor for the Electricity System of the Republic of Armenia for 2012
Developer:	Ministry of Nature Protection of RA together with UNDP-GEF “Enabling activities for the preparation of Armenia’s Third National Communication
Submission Date:	10 March 2014, through DNA
Sector to which the SB applies:	Power generation sector
Methodology used:	Tool to calculate the emission factor for an electricity system, Version 04.0, CDM EB 75
Data Provided by:	Data were provided by the Ministry of Energy and Natural Resources of RA, the Public Services Regulatory Commission of RA and other official sources
Data Vintage:	3 years – 2010, 2011, 2012

Follow up steps

- ❑ SB was submitted in March 2014, through DNA
- ❑ The secretariat has undertaken the initial assessment of Armenia's submission. The SB was assessed whether:
 - The form F-CDM-PSB has been duly completed
 - SB was derived from an approved methodology or tool or from the "Guidelines for the establishment of sector specific SB"
 - DNA submitted all information required for consideration of the proposed SB

Follow up steps

- ❑ After successful conclusion of the initial assessment the secretariat:
 - Assigned a reference number to Armenia's proposed SB (PSB0011)
 - Made the submitted documentation publicly available on the UNFCCC CDM website, with the exception of the information declared confidential by the DNA
 - Prepared an assessment report presenting how data was collected and compiled to establish the proposed SB
 - Prepared the draft recommendation on the proposed SB using the form F-CDM-PSB-REC
- ❑ On Sep. 23, 2014 in the F-CDM-PSB-REC form the Secretariat requested further input from the DNA – additional documentation supporting submission, e.g. relevant data, documentation, statistics, studies, calculation tables, etc.

Follow up steps

- ❑ The DNA submitted the requested input on October 2 (which is within 28 days of the notification)
- ❑ The Secretariat shall assess the input by the DNA and if finds it still not sufficient, may initiate a direct communication with the DNA via e-mail or teleconference to clarify remaining issues and then recommend the CDM EB that proposed SB be either approved or not approved.
- ❑ SB will be effective for a period of 3 years from the date of its adoption
- ❑ SB will be updated every 3 years based on the most available information on the operation of Armenian grid at the time of the update as well as the relevant methodological tools and guidelines

Key factors for the success to developing SB proposal

- ❑ Identify a target project type, check not only the potential of emission reductions but also data availability
- ❑ Availability of well designed survey plan and quality check system
- ❑ Carefully review and closely follow the related guidelines
- ❑ Work in closer cooperation with DNA and the UNFCCC Secretariat

THANK YOU

E-mail: rubina@nature.am
Website: www.nature-ic.am