

CD4CDM Project – Mauritius
Third National Workshop
22-23 September 2008, Pailles

**Outcomes of the First and Second
National Workshops**



Presented by

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International Response to Climate Change

- **UNFCCC** - United Nations Framework Convention on Climate Change
 - Voluntary approach adopted to curb down greenhouse gas emissions.
- **The Kyoto Protocol 1997** to the UNFCCC
 - Legally binding emissions targets for industrialized countries (Annex 1 countries)
 - Target set: reduction to be at least 5% against the 1990 emission levels

Kyoto Protocol's Flexible Mechanisms

- Joint Implementation
 - Project-based trading between industrialised countries
- Emission Trading
 - Countries with surplus could sell to those with deficit
- Clean Development Mechanism
 - Project-based trading between industrialised and developing countries

Clean Development Mechanism

■ Objectives:

- To assist Annex 1 countries to achieve emission reduction targets by investing in emission-reducing projects in developing countries.
- To assist developing countries to achieve sustainable development.

Constraints faced by Developing Countries

- Complexity of the modalities and procedures of CDM.
- Lack of capacity and inadequate institutional setup

Mauritius CD4CDM Project

- Funded by the Netherlands Government and implemented by UNEP RISOE Centre (URC) in Denmark
- SouthSouthNorth and ECON Analysis, regional teams providing technical support
- Objectives of the Project:
 - Improve institutional preparedness for hosting CDM projects
 - Capacity Building of local experts and relevant institutions.
 - Promote Mauritius as a CDM investment destination
 - Support the development of a pipeline of actual CDM Project PINs and PDDs

Mauritius CD4CDM Project – Scheduled Activities (1)

1) National Workshops

- First National Workshop (Jan 2008)
 - Focus on general sensitization on CDM and its benefits, CDM modalities, procedures, institutions and regulatory bodies
- Second National Workshop (Mar 2008)
 - Focus on PIN and PDD preparation, baseline & monitoring methodologies, and CDM project financing
- Third National Workshop (Sep 2008)
 - Focus on validation and verification procedures, and contract negotiation and legal issues

Mauritius CD4CDM Project – Scheduled Activities (2)

2) Sectoral Workshops

- Sectoral Workshop on Energy Efficiency (28 Mar 2008)
Baseline and monitoring methodologies for CDM energy efficiency projects
- Sectoral Workshop on Voluntary Carbon Markets (24 Sep 2008)
Overview of the voluntary carbon market: its growth, risks/uncertainties, project types, and market players
- Sectoral Workshop for the Financial Sector (25 Sep 2008)
Overview on project financing impacts of carbon revenue, risk management and carbon financing

Mauritius CD4CDM Project – Scheduled Activities (3)

3) Operationalisation of the DNA

- Design of project review/approval procedure – Mission of the Legal Expert, Mr Stefan Raubenheimer, from SouthSouthNorth in April 2008 to work out the project review and approval procedure
- CDM bill in preparation

4) Development of Sustainable Development Criteria for the Assessment of CDM Projects

- The SDC has been worked out in consultation with members of the National CDM Committee, the Environment Coordination Committee, and local project developers.

Mauritius CD4CDM Project – Scheduled Activities (4)

- 5) **Design of Mauritius National CDM Website**
- 6) **Formulation of a National Portfolio of CDM Projects**

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Outcomes of First National Workshop

- Provided the participants with an Understanding of:
 - CDM and its benefits, the Economics of CDM, CDM Modalities and Procedures, and CDM Institutions & Regulatory Bodies
 - Sustainable Development Criteria
 - Project Opportunities in CDM

- Identified a list of potential avenues for CDM in Mauritius.
 - Projects were identified in the following major sectors: Renewable Energy, Energy Efficiency, Bio-fuels & Carbon Sequestration

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Outcomes of Second National Workshop (1)

■ Topics that were covered during the Second National Workshop:

- 1) Project Idea Note (PIN) and Project Design Document (PDD) preparation: common pitfalls in PDD making
- 2) Introduction to Validation and Verification
- 3) Baseline methodologies: examples of baseline method relevant to national circumstances
- 4) Additionality – How to demonstrate the additionality factor

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Outcomes of Second National Workshop (2)

- 5) Understanding the Validation Process: how the auditors work together with project developers to establish the eligibility of CDM projects
- 6) CDM project financing: approaches to investment analysis, benchmarks, sensitivity analysis for CER price impact on project economics
- 7) Financial Aspects of CDM and Carbon Finance

Mauritius CD4CDM Project

Objectives of the Third National Workshop

- To sensitize policy makers on CDM issues and procedures;
- To provide participants with an understanding of legal and contractual issues involved in CDM contract negotiations;
- To provide an overview on the present status and outcomes of UNDP's Regional CDM Capacity Building Project; and
- To discuss DNA procedures and legislation.

THANK YOU

