



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.

A stylized world map in shades of blue, centered on the Atlantic Ocean, serving as a background for the title text.

# **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>)

**Cont---**

- **Registration of Project**

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

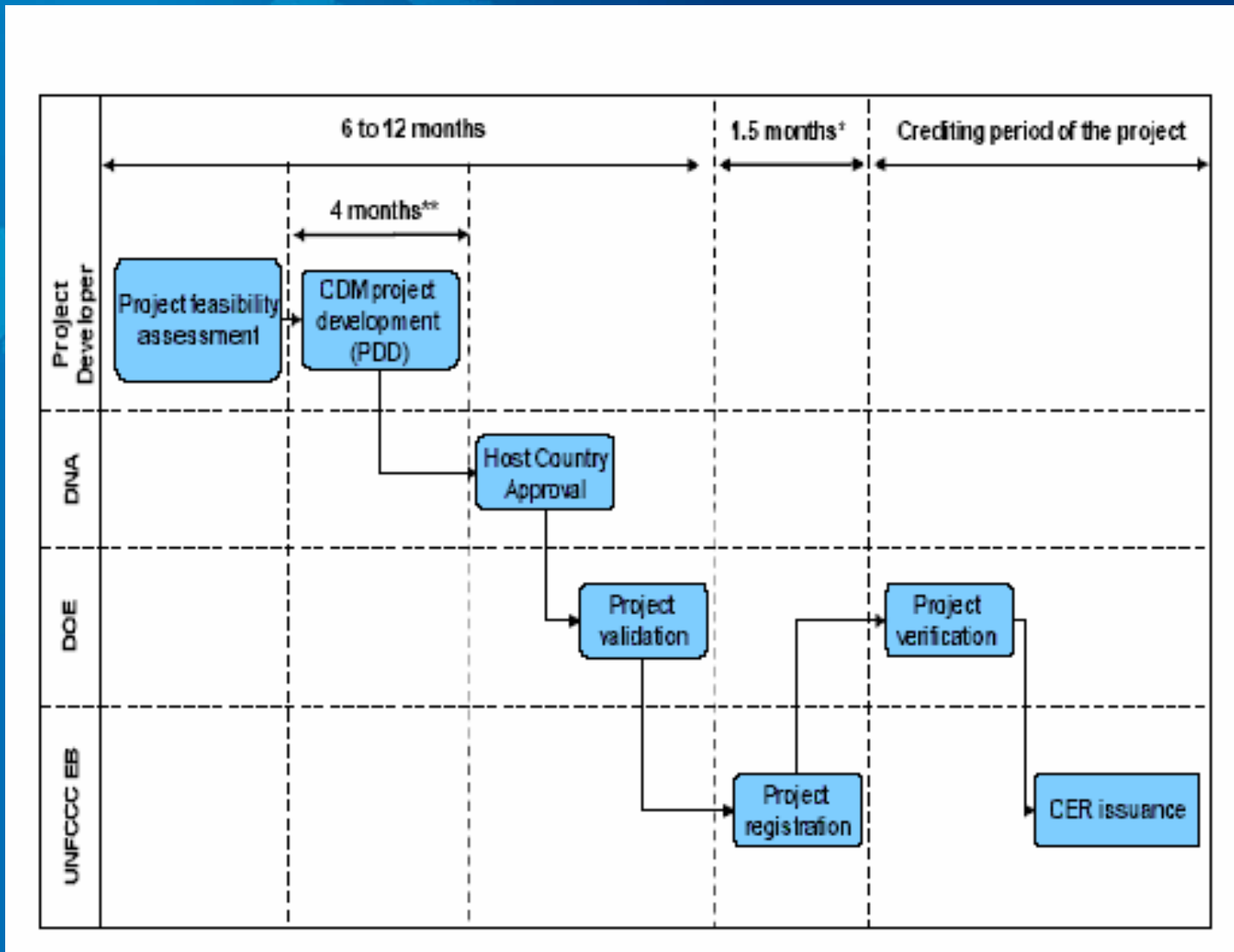
- **Monitoring of Project**

- 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

A world map is shown in the background, rendered in a light blue color against a darker blue gradient. The map is centered and covers most of the frame.

## **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 3<sup>rd</sup> 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 (N<sub>2</sub>O) Abatement Project in the Tail Gas of the Nitric Acid Plant of Pakarab Fertilizers, Multan**

- Submission Date: 24<sup>th</sup> March 2006
- Approval by the Ministry: 27<sup>th</sup> 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 tCO<sub>2</sub> eq/annum
- Starting Date : 1<sup>st</sup> January 2007
- Expected Revenue from the Sale of CERs: US\$ 13 million/annum

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

- Submission Date: 10<sup>th</sup> March 2007
- Approval Date: 2<sup>nd</sup> 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

Cont...

- Total Cost of Project: 102.15 million US\$.
  - Total Emission Reduction: 1.53 million tons CO<sub>2</sub> eq/annum.
  - Starting Date of Project: 1<sup>st</sup> 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 CO<sub>2</sub>eq).
- Total estimated annual revenue 67.86 million US\$.

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

- Submission Date: 3<sup>rd</sup> April 2007
- Approval date by the Ministry: 25<sup>th</sup> 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 tCO<sub>2</sub> 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

A faint, light blue world map is visible in the background of the slide, centered behind the text.

- 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*