

# CDM as an Instrument for Industrial Development and Poverty Alleviation in Caucasus

*CDM Capacity Building Program funded by the  
Norwegian Ministry of Foreign Affairs*

*Final Workshop  
Tbilisi 27th March 2008*

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## Program Objectives

To bring the public and private industry sectors in Caucasus into a position to become active participants in the carbon market and benefit from the mechanisms established under the Kyoto Protocol

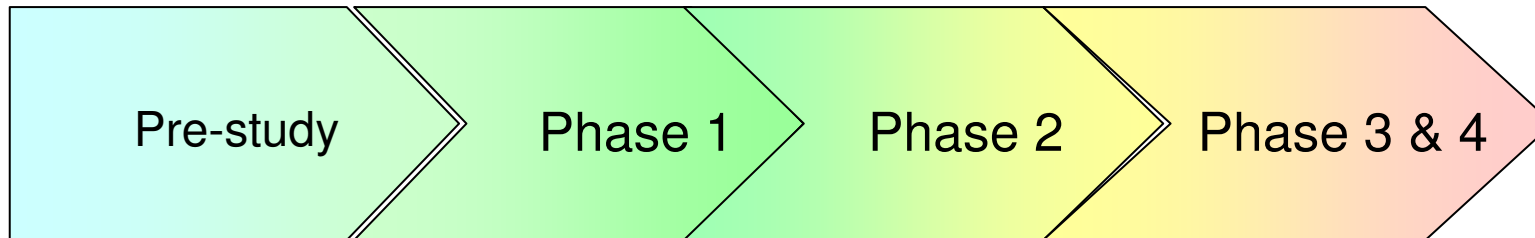
- Contribute to GHG reductions by initiating projects within energy efficiency and renewable energy
- Support long-term growth by
  - assisting implementation of CDM projects
  - assisting local specialists in establishing new markets and in actively taking part in CDM project development
- Improve local environment and support sustainable development

Spring 06

July 07 – March 08

Oct – Dec 06

March 08 -



NMFA Supported

Investor Supported

- Pre-study to identify the need for capacity building in the three countries
- Phase 1 focus: awareness raising and capacity building
  - In Georgia and Azerbaijan
  - CDM training using own project ideas
- Phase 2 focus: supporting project developers with planning CDM projects
  - In all 3 countries
  - PIN development for selected projects and promotion towards investors and buyers of carbon credits
- Commercial negotiation, PDD development and validation (Phase 3) and project implementation (phase 4) is outside the scope of the program

## Phase 2 of the Program

July – Sept 07:

Information seminars and visits to stakeholders



Ideas Generation



Aug – Nov 07:

Select projects to receive support

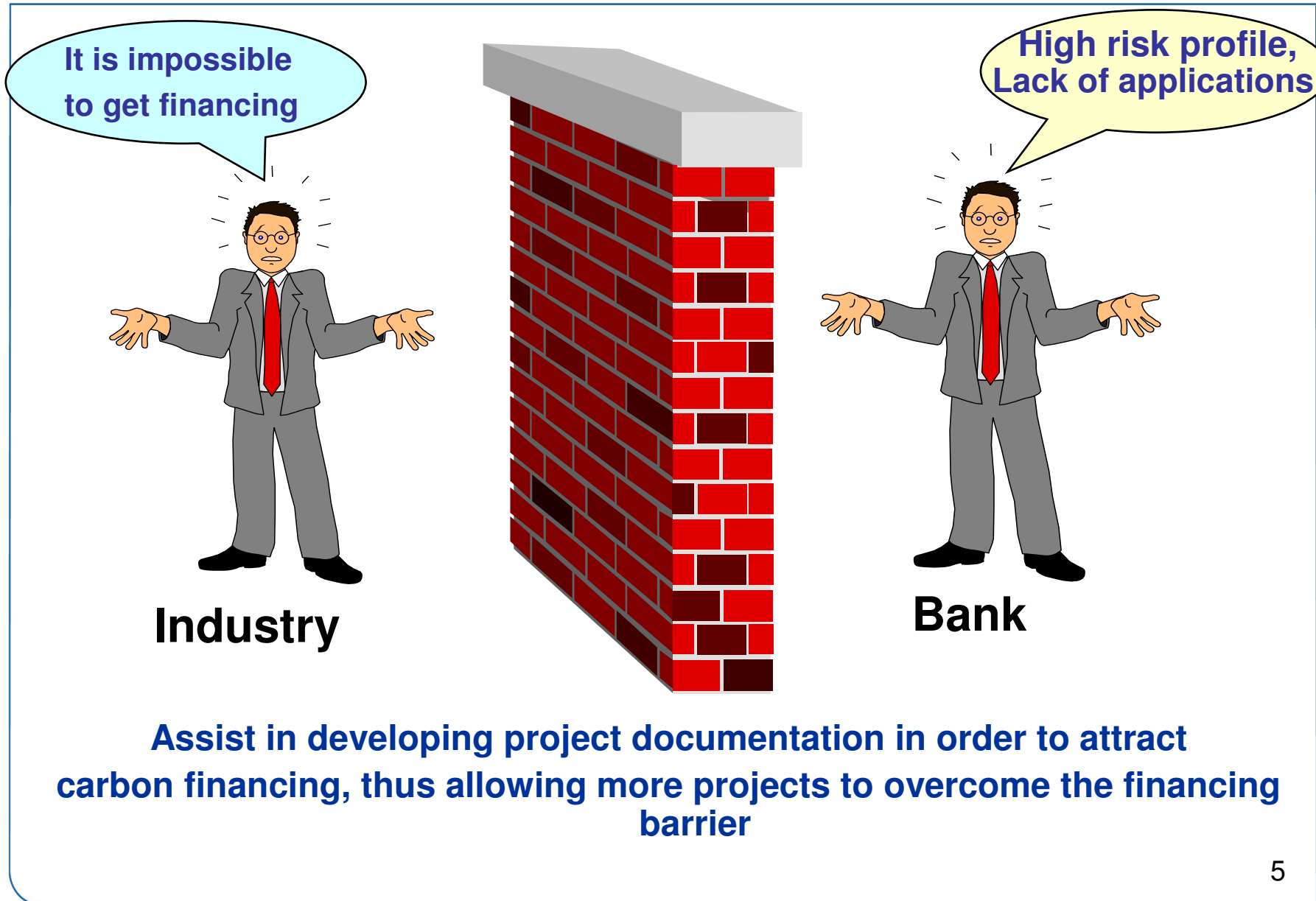


Sept – Febr 08:

PIN and Business Plan Preparations

March 08: Presentation of final PINs to potential investors/CER buyers:





# Program Partners

- Norsk Energi, Norway



- ECON Pöyry, Norway



- Cleaner Production & Energy Efficiency Centre (CPEE), Azerbaijan



- Energy Efficiency Centre (EEC), Georgia



- Energocor LLC, Armenia



## NORSK ENERGI



- Established in 1916 by the Norwegian pulp and paper industry
- Now has > 200 member companies, which together use 90% of the total energy consumption in Norwegian industry
- Consultants providing advice on energy use, energy efficiency, renewable energy, environment and safety
- Related Experience:
  - JI Capacity Building in NorthWest Russia and in Ukraine
  - Preparation of Project Design Document for JI project in Murmansk, Russia
  - Developing many projects within district heating and energy efficiency in Russia
  - Establishment of and technical assistance to 5 Regional Energy Efficiency Centres (REECs) in Serbia
  - CDM capacity building program for REECs and authorities in Serbia and Thailand
- [www.energi.no](http://www.energi.no)



# Econ Pöyry, Norway

- Established in 1986 to offer economic and social science analytical expertise spanning from research to consulting
- A part of Pöyry Group from 2007

## Activities:

Economic Analysis

Policy Advisory Service

Climate Change Strategy

Project Development and PDD preparation

[www.econ.no](http://www.econ.no)





# EEC Georgia

- Established in 1998 by European Union within the framework of the EU Tacis Project
- Main tasks:
  - Improvement of Energy Efficiency in Georgia
  - Improve the energy balance in the country
  - Reduce environmental impact
  - Improve competitiveness of industry and commerce
- Ongoing projects:
  - Promoting Energy Efficient Product Distribution Through ICT Access
  - Financial Engineering for Small Scale Hydro Power Stations in Georgia
  - Cleaner Production in selected countries of NIS – Moldova, Georgia and Kazakhstan
  - Georgian-Norwegian co-operation programmes



# CPEE Azerbaijan

- Cleaner Production and Energy Efficiency Centre in Azerbaijan was established in 2003
- Activities:
  - Energy Efficiency and Cleaner Production in all types of industries from 2003 until current time
    - In total 7 different types of capacity building programs
    - More than 50 implemented energy efficiency measures
  - Small Hydro Power project with UNDP
  - Assessment of power quality for BP
  - Improvement of electrical supply system for BP
  - Environmental and social impact assessment of Gas Turbin Power Plant for EBRD
  - Wide international network (WADE, AASA etc)
  - Consultancy services within CPEE and CDM
- [www.cpee.az](http://www.cpee.az)



## Armenia

- Established in 2006
- Objectives: Provide energy services including implementing energy efficiency projects as well as renewable energy projects
- Activities:
  - Production of thermal insulation
  - Implementation of energy efficiency measures in industrial sector
  - Implementation of energy efficiency projects in building (thermal insulation and efficient heating)
  - Feasibility studies, EIAs, economic and technical analysis
  - Development of carbon financing schemes
  - CDM project development including PIN and PDD etc
- Contact: [t.parvanyan@gmail.com](mailto:t.parvanyan@gmail.com) or [karabyan@gmail.com](mailto:karabyan@gmail.com)

# Final Workshop

- Ending the scope of work funded by NMFA
- Good opportunity to meet local actors in the carbon market for cooperation on current and future projects
- Projects resulting from the program to be presented
  - Projects of different size, type and maturity
  - Any Option Agreement or Emission Reduction Purchase Agreement (ERPA) should be negotiated directly with project owner
  - Workshop mark initiation of negotiation for some project and finalisation for some
  - Everyone is welcome to a Georgian Dinner at 19:00 at the Methehi Restaurant in Street

0930-1030	Registration of participants Coffee and tea will be available	EEC
1030-1100	Opening speech by Norwegian Embassy	Norwegian Ambassador to Azerbaijan and Georgia
1100-1130	CDM Capacity Building Project funded by NMFA Information about the aims and objectives of the program, presentation of partner to the program and agenda for the final workshop	Norsk Energi
1130-1145	Short coffee break	
1145-1215	CDM in South Caucasus Registered projects, project initiatives and DNAs in the region	ECON Pöyry /DNAs
1215-1300	Proposed projects in Armenia Presentation proposed projects in Armenia	Energocor LLC
1300-1400	Lunch	
1400-1415	Ali Baliyaram TPP Project, Azerbaijan	CPEE/Azer Energy
1415-1430	Upper Karabach HPP, Azerbaijan	CPEE/Azer Energy
1430-1445	Mardakan Biogas plant, Azerbaijan	CPEE/AgriBioEkoTex
1445-1500	Short coffee break	
1500-1515	Enguri HPP project, Georgia	EEC
1515-1530	Wind power project, Georgia	EEC/Karenergo
1530-1545	Small scale biodigesters in rural Georgia	EEC/Ministry of Economic Development Georgia
1545-1600	Efficient lighting project, Georgia	EEC
1600-1615	Summary	Norsk Energi
1615-1700	Initial talk between project owners and CER buyers Start of talks and agreeing meetings. Talks can also be held in lobby or outside the conference room after seminar is over	
1900-2200	Dinner for all participants	

All the best of luck in the continuation

Thank you

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