

**The European Union – Kyrgyzstan: Sustainable Energy Days 2024**  
Lectures on Sustainable Energy and the Students' Debate  
Bishkek, 24 October 2024

**Challenges for the participation of Kyrgyzstan in the project mechanisms under Article 6 of the Paris Agreement**

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# Content



- 1 Brief information about the problem of climate change
- 2 Kyrgyzstan's Commitments to Reduce Greenhouse Gas Emissions
- 3 Opportunities provided by the Paris Agreement (PA)
- 4 Steps to be taken in Kyrgyzstan to participate in the mechanisms of the Paris Agreement

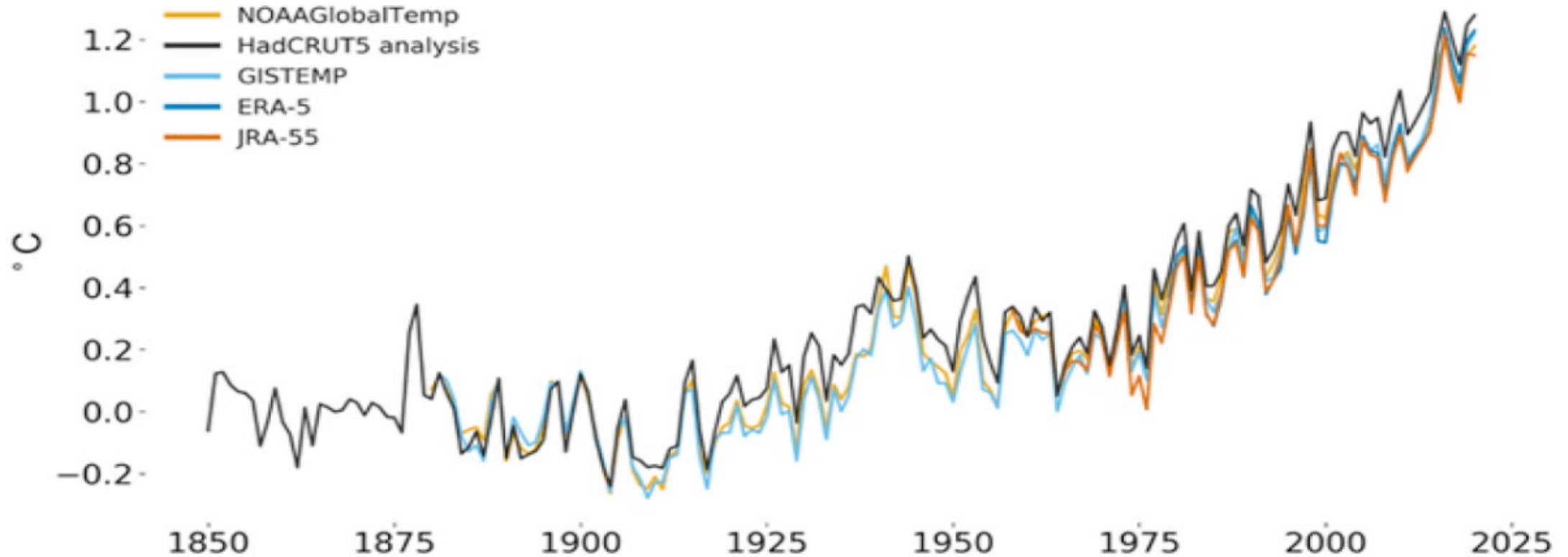


# BRIEF INFORMATION ABOUT THE PROBLEM OF CLIMATE CHANGE



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# Brief information about the problem of climate change



Anomalies in global mean annual temperature relative to pre-industrial conditions (1850-1900) from six global temperature datasets (1850-2021)

Source: Met Office (UK)

# Brief information about the problem of climate change (2)

- According to the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC), completed in 2014, “Human influence on the climate system is clear and growing, with impacts across all continents and oceans. Many of the changes observed since the 1950s are unprecedented for decades and millennia. The IPCC is now 95% confident that humans are the main cause of current global warming.”
- To limit global warming to 1.5°C by 2100, GHG emissions must be reduced by 43% by 2030
- To address this challenge, **the Paris Agreement** (PA) to combat climate change was concluded in 2015
- According to the PA, each country has independently determined its own policy in this area - through the implementation of Nationally Determined Contributions (NDCs)



# KYRGYZSTAN'S COMMITMENTS TO REDUCE GREENHOUSE GAS EMISSIONS



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# Kyrgyzstan's Commitments to Reduce Greenhouse Gas Emissions

- According to the **revised NDC of the Kyrgyz Republic** (submitted on 09/10/2021), GHG emissions will be reduced compared to business-as-usual scenario by:
  - ✓ 16.63% by 2025 and by 15.97% by 2030 - unconditional targets
  - ✓ 36.61% by 2025 and 43.62% by 2030 - conditional targets (subject to international assistance)
  - ✓ The primary mitigation capacity is concentrated in the Energy, Agriculture, Forestry and Other Land Uses sectors

# Kyrgyzstan's Commitments to Reduce Greenhouse Gas Emissions (2)

- The mitigation capacity in the Energy sector, where around 60% of all GHG emissions in the country are concentrated, will be realized through:
  - ✓ Development of Renewable Energy Sources
  - ✓ Improvement of Energy Efficiency policy
  - ✓ Expanding the natural gas network
  - ✓ Introduction of electric vehicles





# OPPORTUNITIES PROVIDED BY THE PARIS AGREEMENT

# Opportunities provided by the Paris Agreement

- The Paris Agreement paved the way for a new era of carbon trading
- With the introduction of Article 6, countries can co-operate to achieve their NDCs through carbon trading
- At its best, Article 6 offers a way for countries to invest in action beyond their borders and raise global ambitions to limit temperature rise to 1.5 °C
- However, this is only possible if there is a clear and transparent accounting of what is traded and how countries plan to fulfil their NDCs

# Opportunities provided by the Paris Agreement (2)

There are three tools under Article 6 of the Paris Agreement:

- **Article 6.2** (Market): Allows countries to exchange mitigation outcomes bilaterally and use them towards their nationally determined contributions (NDCs)
- **Article 6.4** (Non-market): Establishes a new mechanism for the validation, verification and issuance of high-quality carbon credits
- **Article 6.8** (Non-market): Provides opportunities for countries to cooperate towards the achievement of their NDCs without relying on carbon markets

# Opportunities provided by the Paris Agreement (3)

- Countries may trade Article 6 units bilaterally or multilaterally
- Article 6.2 allows a host country that is on track to exceed its NDC target to trade units to obtain investment, capacity building support and access to technologies not available from domestic resources
- The buyer country purchases these units, known as ITMOs (Article 6.2 units), to address any gaps in meeting its own climate targets

# Opportunities provided by the Paris Agreement (4)

- The Mechanism under Article 6.4 can be a source of climate finance
- **Through this mechanism a company in one country can reduce emissions in that country and have those reductions credited, so that it can sell them to another company in another country**
- At the 28<sup>th</sup> Conference of Parties (COP28), no decision was adopted on rules for carbon markets, leaving major questions on international carbon trading unanswered
- Perhaps at the COP29, scheduled in 2024 in Baku, the Parties will adopt guidelines related to the launch of Article 6



# STEPS TO BE TAKEN IN KYRGYZSTAN TO PARTICIPATE IN THE MECHANISMS OF THE PARIS AGREEMENT



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# Steps to be taken in Kyrgyzstan to participate in the mechanisms of the Paris Agreement

It is expected that:

- In accordance with Article 6.4 of the Paris Agreement a new mechanism for the validation, verification and issuance of high-quality carbon credits will be established and operationalized
- Project methodologies will be approved by the Article 6.4 Supervisory Body
- Clean Development Mechanism (CDM) methodologies for determination of additionality and baselines and monitoring, will be adjusted to transition to the Article 6.4 mechanism

# Steps to be taken in Kyrgyzstan to participate in the mechanisms of the Paris Agreement (2)

- Capacity building - Kyrgyzstan did not implement projects under Kyoto Protocol. Therefore, there is a lack of capacity for:
  - Development of project design documents
  - Development of baselines in accordance with the approved CDM methodologies
  - Implementation of monitoring in accordance with the approved CDM methodologies
  - Development of Emission Factors for key sectors



# Steps to be taken in Kyrgyzstan to participate in the mechanisms of the Paris Agreement (3)

- To fill the capacity gap, the following steps are to be taken:
  - Identify the priority project types in the sectors with the highest GHG emissions
  - Study of baseline and monitoring methodologies approved by the CDM Executive Board (available at <https://cdm.unfccc.int/methodologies/index.html>)
  - Based on the methodologies, estimation of GHG reduction potential for typical project activities
  - Estimation of potential revenues due to the carbon offsetting
  - Dissemination of the results among the Governmental agencies and industries

**THANK YOU  
FOR YOUR  
ATTENTION!**

