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

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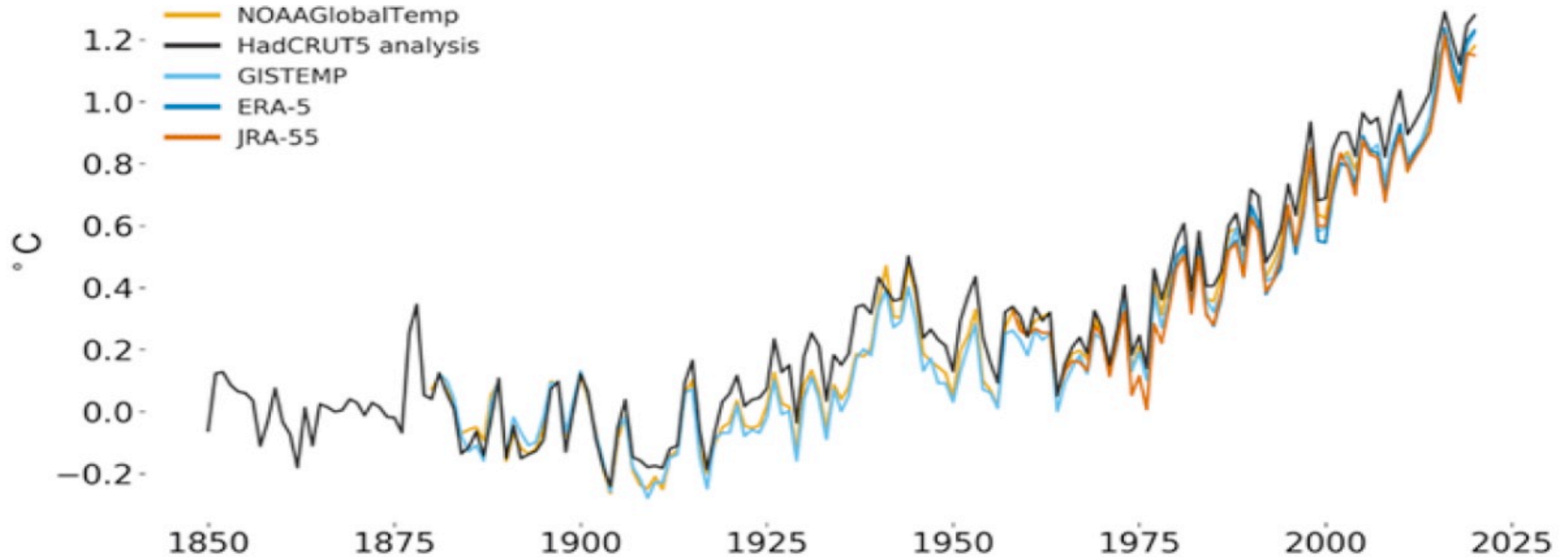
# BRIEF INFORMATION ABOUT THE PROBLEM OF CLIMATE CHANGE



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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)





# UZBEKISTAN'S COMMITMENTS TO REDUCE GREENHOUSE GAS EMISSIONS



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# Uzbekistan's Commitments to Reduce Greenhouse Gas Emissions

- According to the **revised NDC of the Republic of Uzbekistan** (submitted on 30/10/2021), specific GHG emissions per unit of GDP will be reduced by 35% by 2030 from the level of 2010 (10% in the initial NDC)
- The following are recommended in addition to the above mitigation target indicator by 2030:
  - ✓ Increase the share of Renewable Energy Sources (RES) to 25% of total power generation, through construction of solar, wind and small hydropower plants;
  - ✓ Double the Energy Efficiency (EE) indicator relative to the level of 2018, through introducing energy-saving technologies in industry, construction, agriculture and other sectors of the economy;
  - ✓ Halve the energy intensity of GDP, through measures and actions reflected in the Strategy for Transition to a Green Economy until 2030.

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

- In 2022, Uzbekistan joined the Global Methane Pledge (GMP), an initiative launched at COP26 (2021) by the European Union and the United States, aimed at reducing methane emissions worldwide
- Countries joining the GMP agree to take voluntary actions to contribute to a collective effort to reduce global methane emissions at least 30% from 2020 levels by 2030 (this is a global, not a national reduction target)



# Uzbekistan's Commitments to Reduce Greenhouse Gas Emissions (3)

- At the United Nations Climate Change Conference (COP29) in Baku, the President of Uzbekistan:
  - ✓ Announced Uzbekistan's ambitious targets: achieving carbon neutrality through expanding green energy sources - to increase the share of Renewable Energy (RE) to 40%, advancing electric vehicle and green hydrogen clusters, establishing solar and wind energy hubs
  - ✓ Alongside the presidents of Azerbaijan and Kazakhstan, signed an agreement on "Strategic Partnership for Developing and Transmitting Green Energy." This initiative will enable Central Asian countries to export RE generated from solar and wind sources to Europe



# 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 Internationally Transferred Mitigation Outcomes (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 COP29 (Baku, 11-22 November 2022), the launching of Article 6 is actively negotiated





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



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

- Although Uzbekistan has registered 15 projects under the CDM, capacity for development of projects under Article 6 of the Paris Agreement needs to be built, because:
  - ✓ The CDM project activities were registered in 2009-2014
  - ✓ The projects are only in 3 areas: Nitric acid production (6 projects), gas distribution networks (7 projects), landfill gas (2 projects)

# Steps to be taken in Uzbekistan 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!**

