COP 22
Side Event

The Role of Market Mechanisms in the implementation of Tunisia's NDC

Marrakech, November, 7th 2016

AGENCE NATIONALE POUR LA MAITRISE DE L'ÉNERGIE
ANME
Un engagement durable et renouvelable

Afef JAAFAR
Agence Nationale pour la Maitrise de l'Energie

Summary

1: National context

- Tunisian circumstances
- GHG inventory overview & main indicators

2：Main steps to get ready for climate finance

- NDC
- Priority sectors identification
- Project portfolio
- MRV
- Funding needs

3: Carbon market mechanisms

- Lessons learnt
- Tunisia’s views on Article 6

1: National context

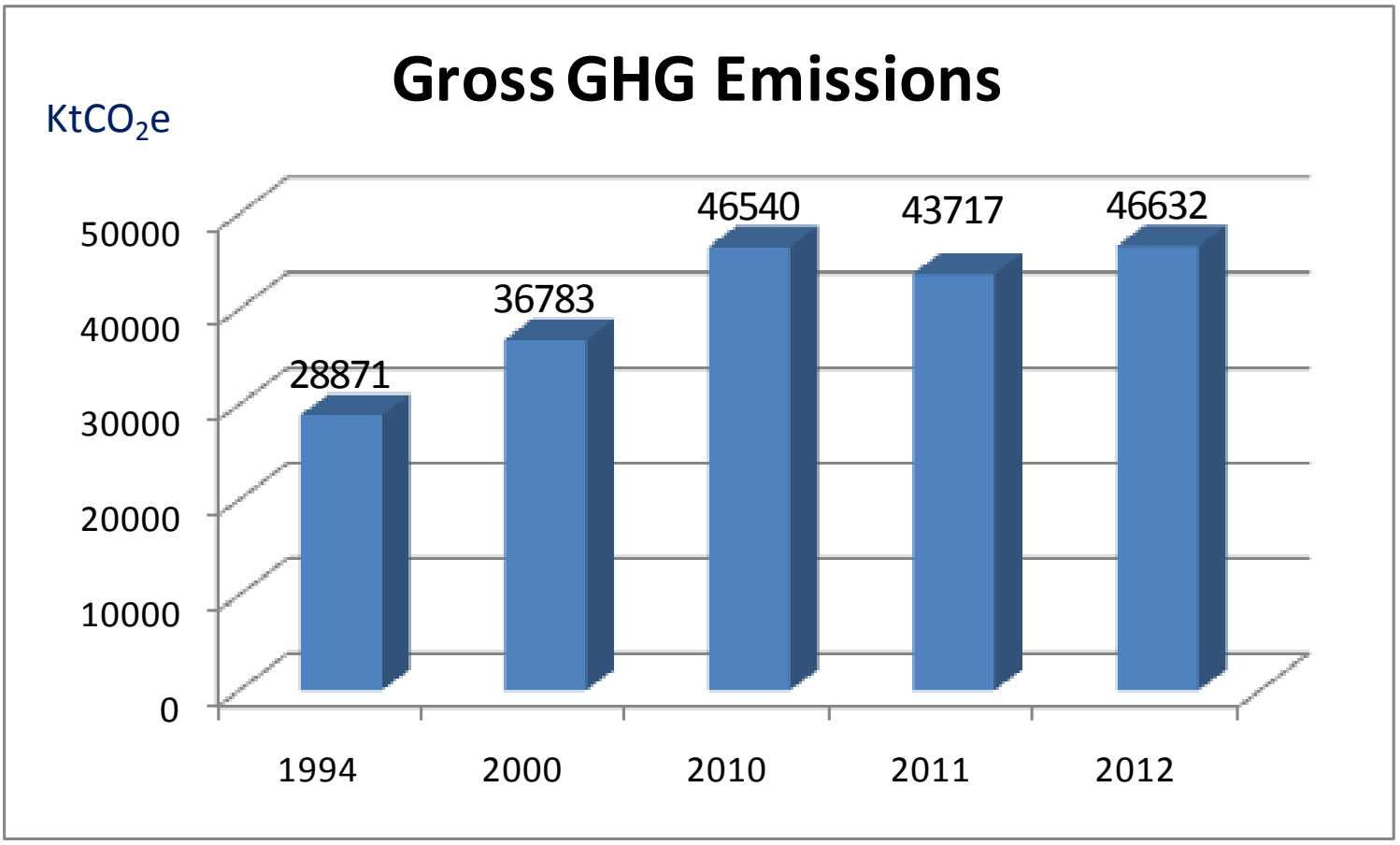
Tunisian context

Population	11.15 millions in 2015
Area	163 610 Km²
Coast	1148 km
Desert area	40%
Climate	• Mediterranean in the North and Coast • Semiarid in the inland and Saharan in the South

UNFCCC ratification	1993
KP ratification	2003
Paris Agreement ratification	Oct 2016

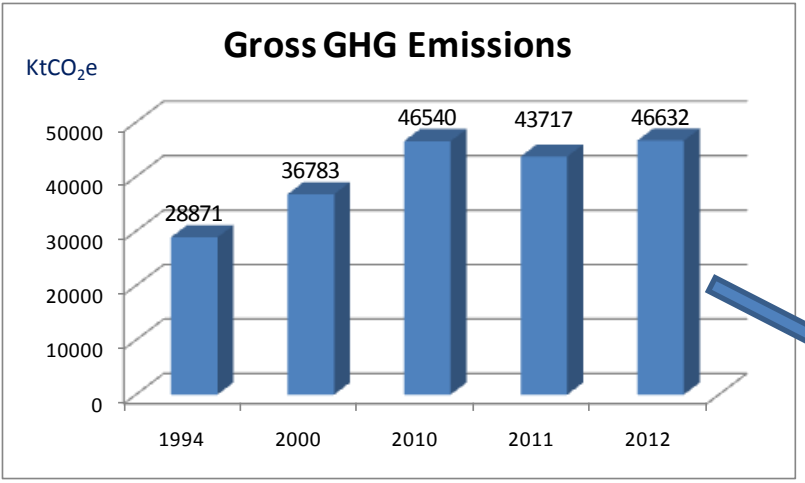
National Communication	1st : Oct. 2001 2nd : Feb. 2014 3nd : Under preparation
BUR 1	Dec 2014
BUR 2	Under preparation
INDC	Sept 2015

National GHG emissions inventories



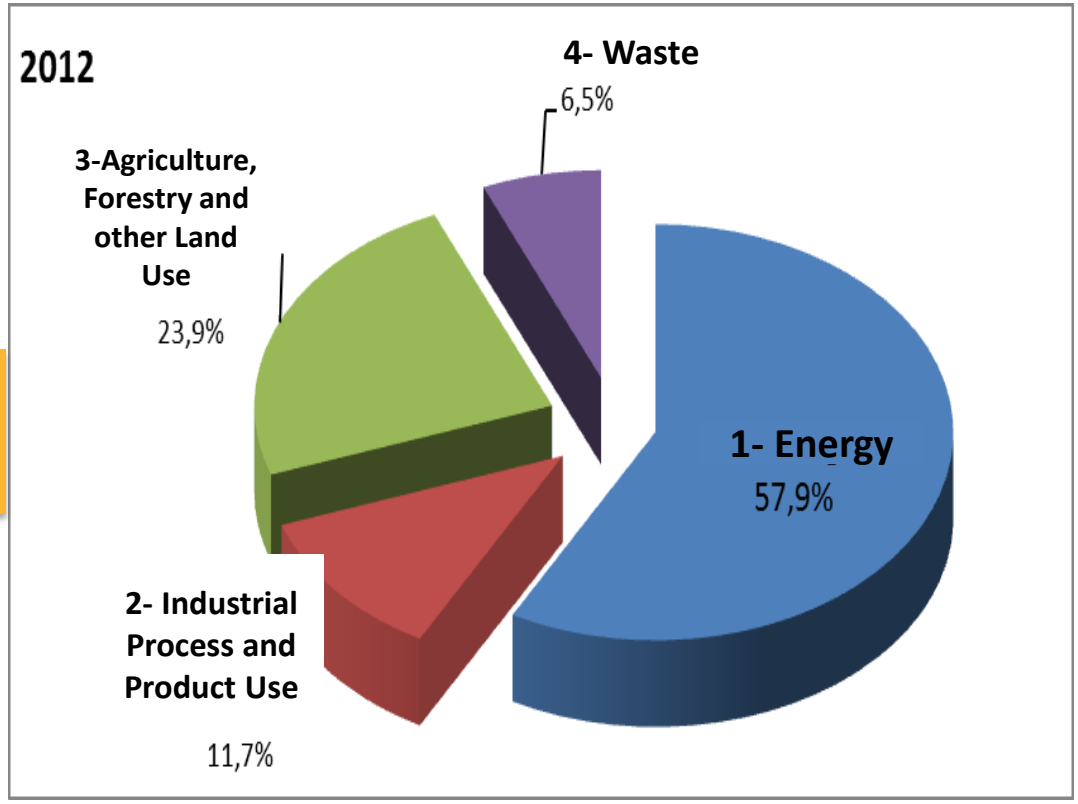
Increase in GHG emissions (+2.7% per year over the period 1994-2012)

National GHG emissions inventories



Energy-related emissions account for 58% of total national emissions (27 MTCO2e) in 2012

GHG emissions by sector - 2012 -

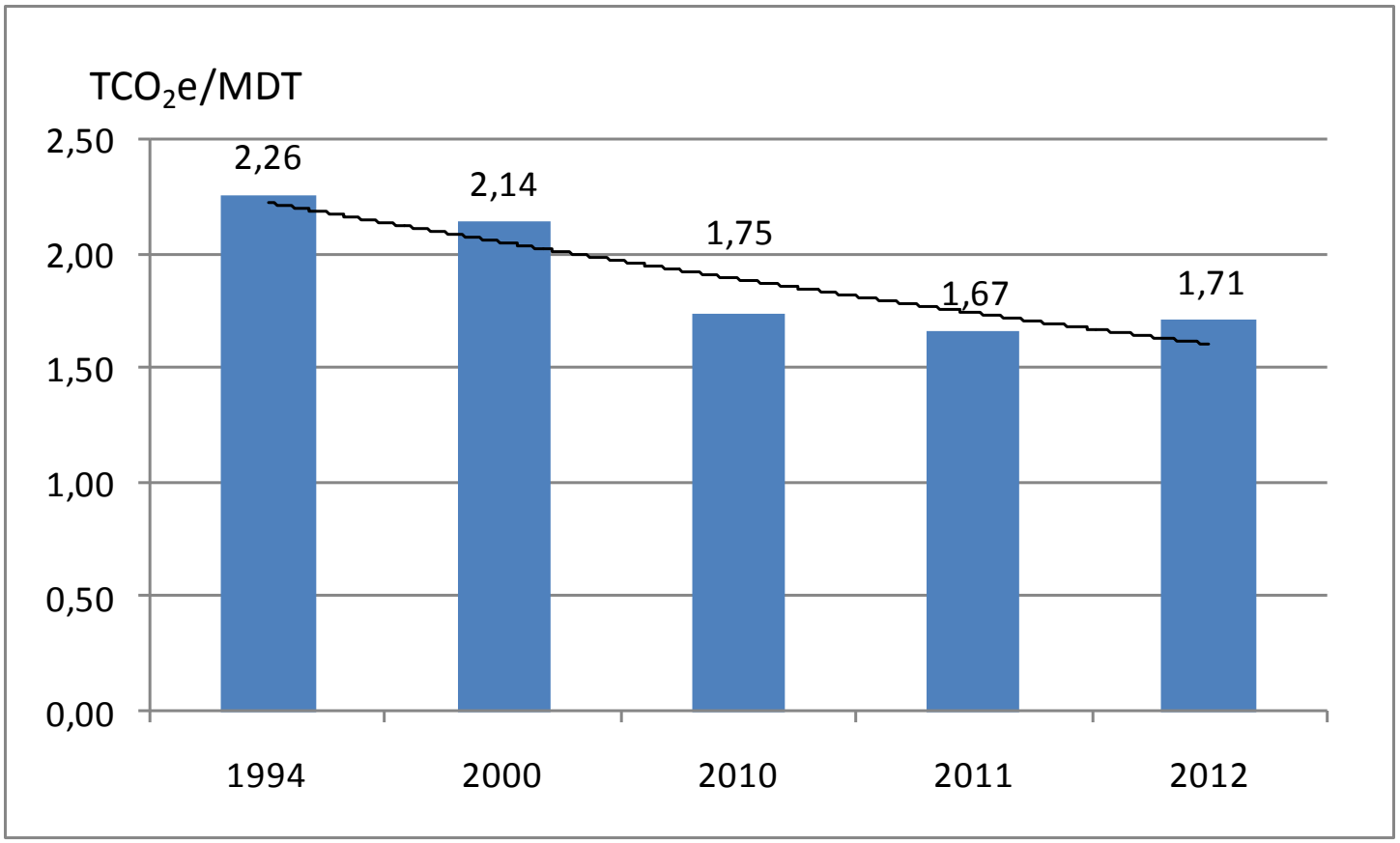


2012

Per capita emissions

3 TCO2e

Carbon intensity evolution



Decrease in carbon intensity (-1.5% per year over the period 1994-2012)

2 : Main steps to get ready for climate finance

2. Main steps to get ready for climate finance

1- NDC

2- Priority Sectors Identification

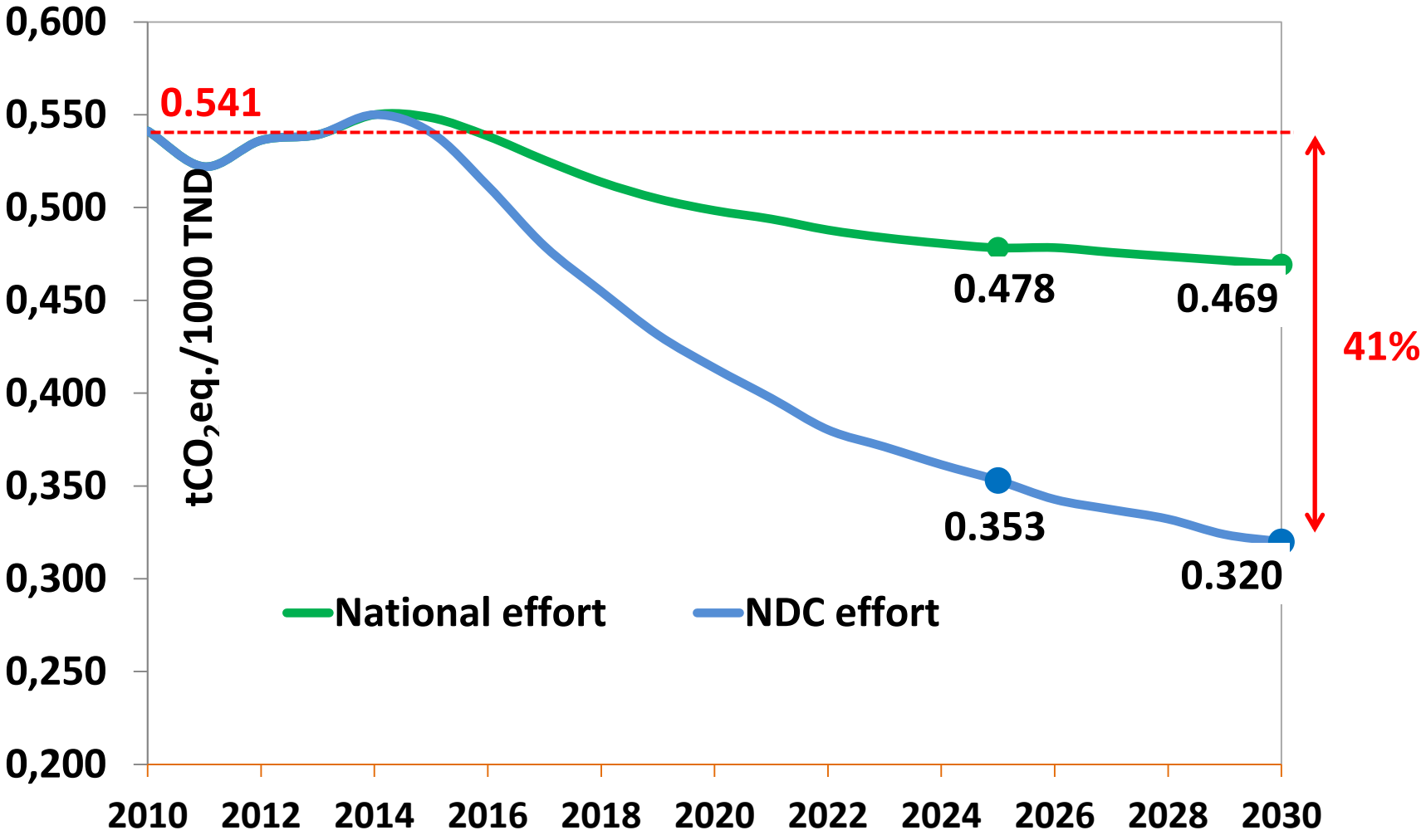
3- Projet Portfolio

4- MRV

5- Funding needs

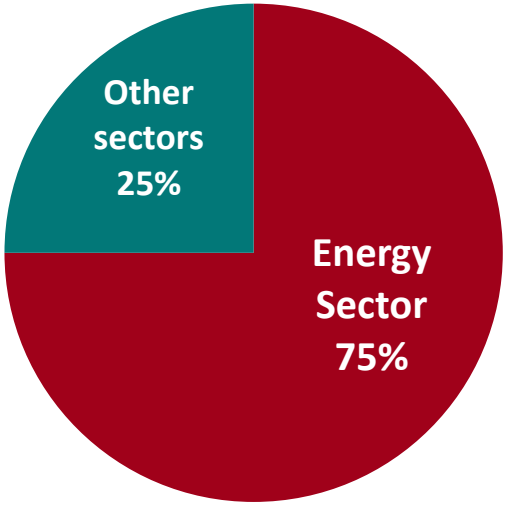
1- NDC

Tunisian NDC objective

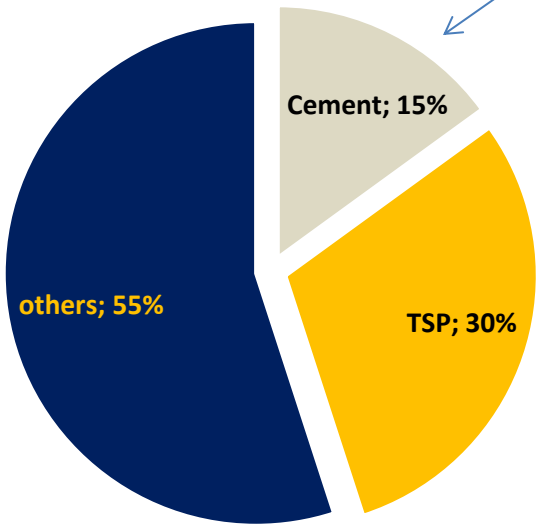


Objective: Reduction of carbon intensity by 41% by 2030 comparing to 2010

2- Priority Sectors Identification



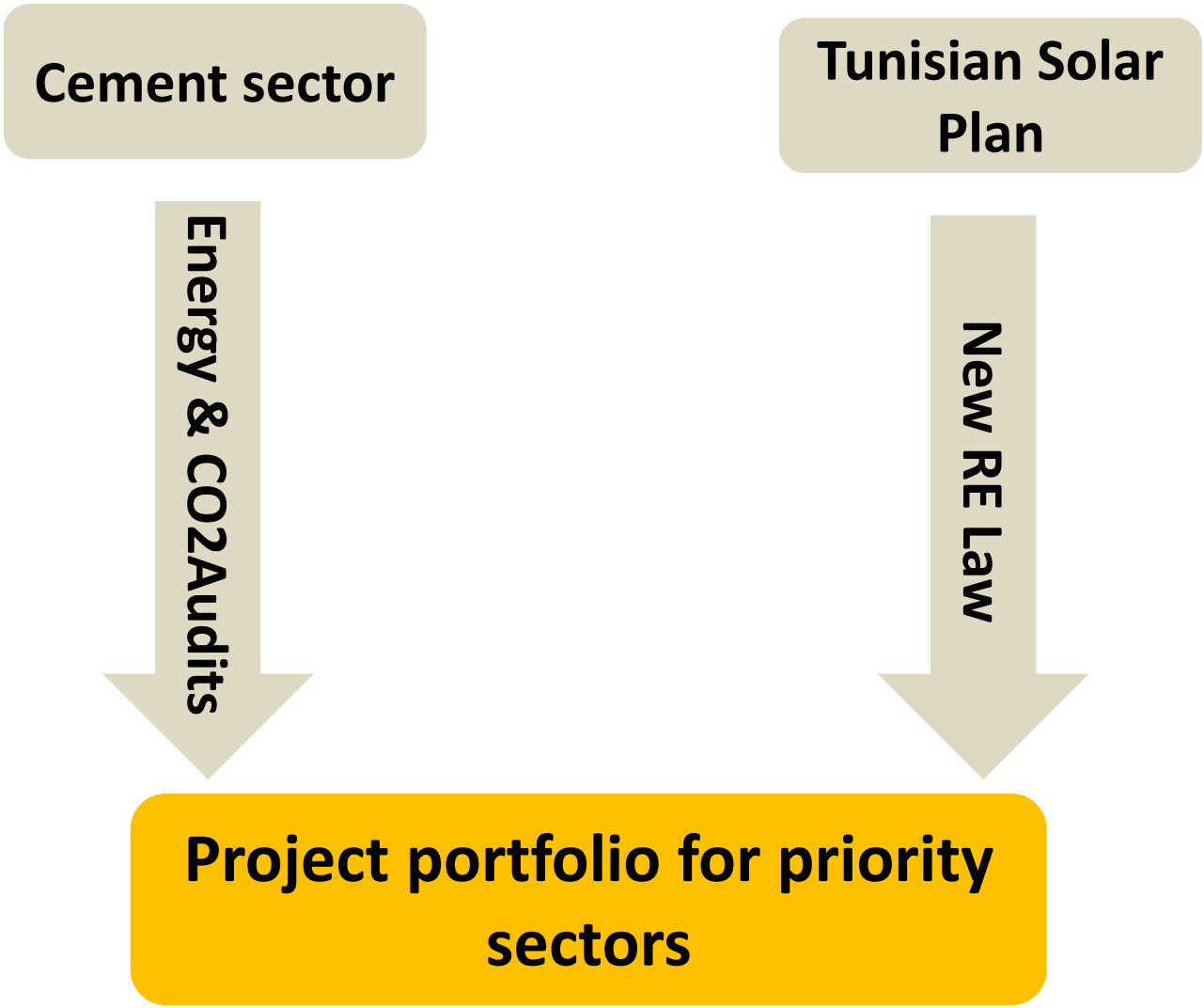
The energy sector represents 75% of the total NDC target (EE&RE)



The priority sub-sectors are:

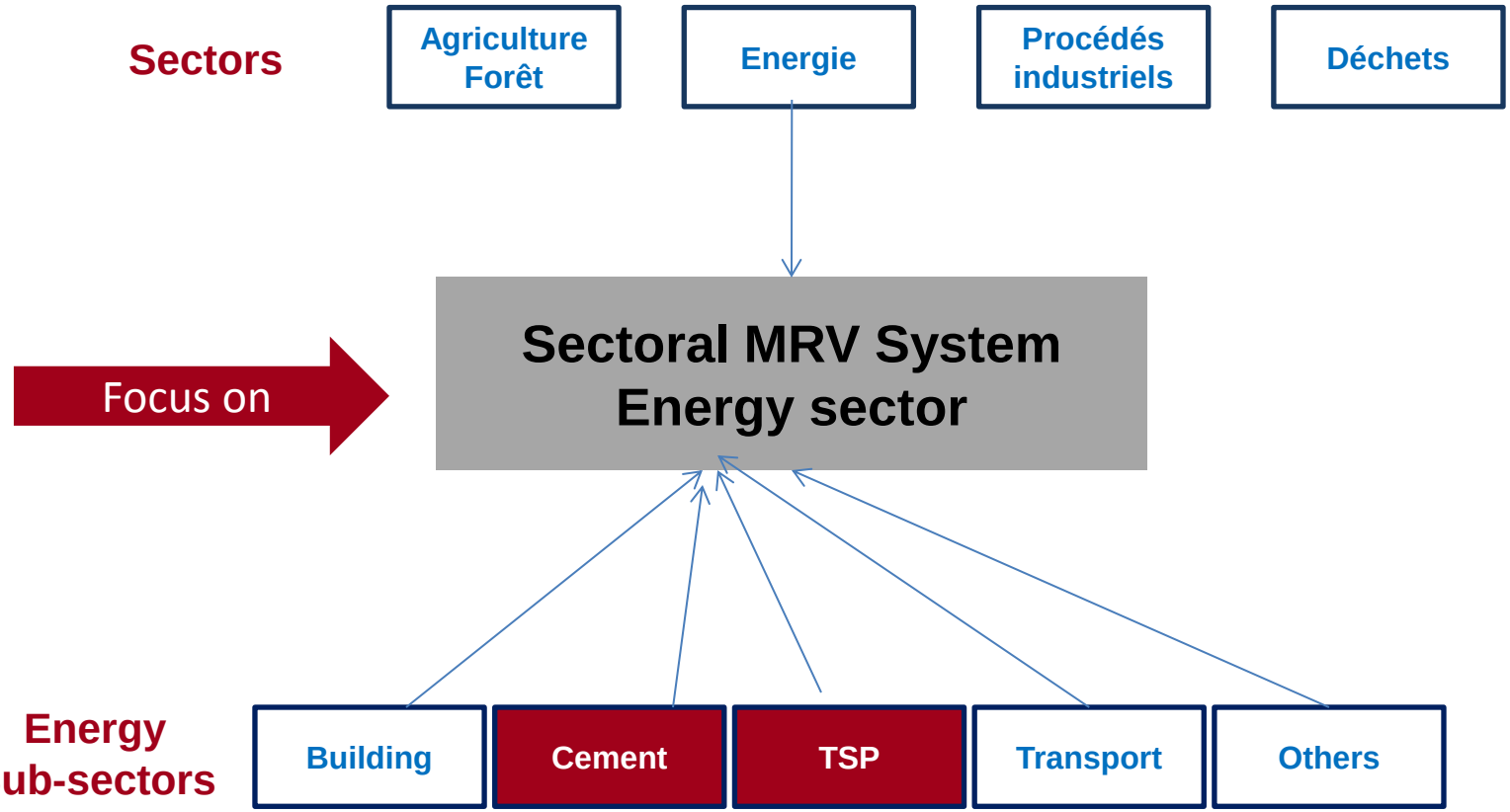
- TSP 30% of INDC target
- Cement 15% of INDC target

3- Projet Portfolio



4- MRV

National MRV system



5- Funding needs

Funding needs for supporting the INDC scenario for mitigation (2015-2030)

SECTORS	BUS$
Energy	**14, 917**
Energy efficiency	6, 991
Renewable energy	7, 926
AFOLU	**1, 533**
Agriculture	967
Forestry and other land use	566
Waste	**972**
Solid waste	70
Sanitation	902
TOTAL	**17, 422**

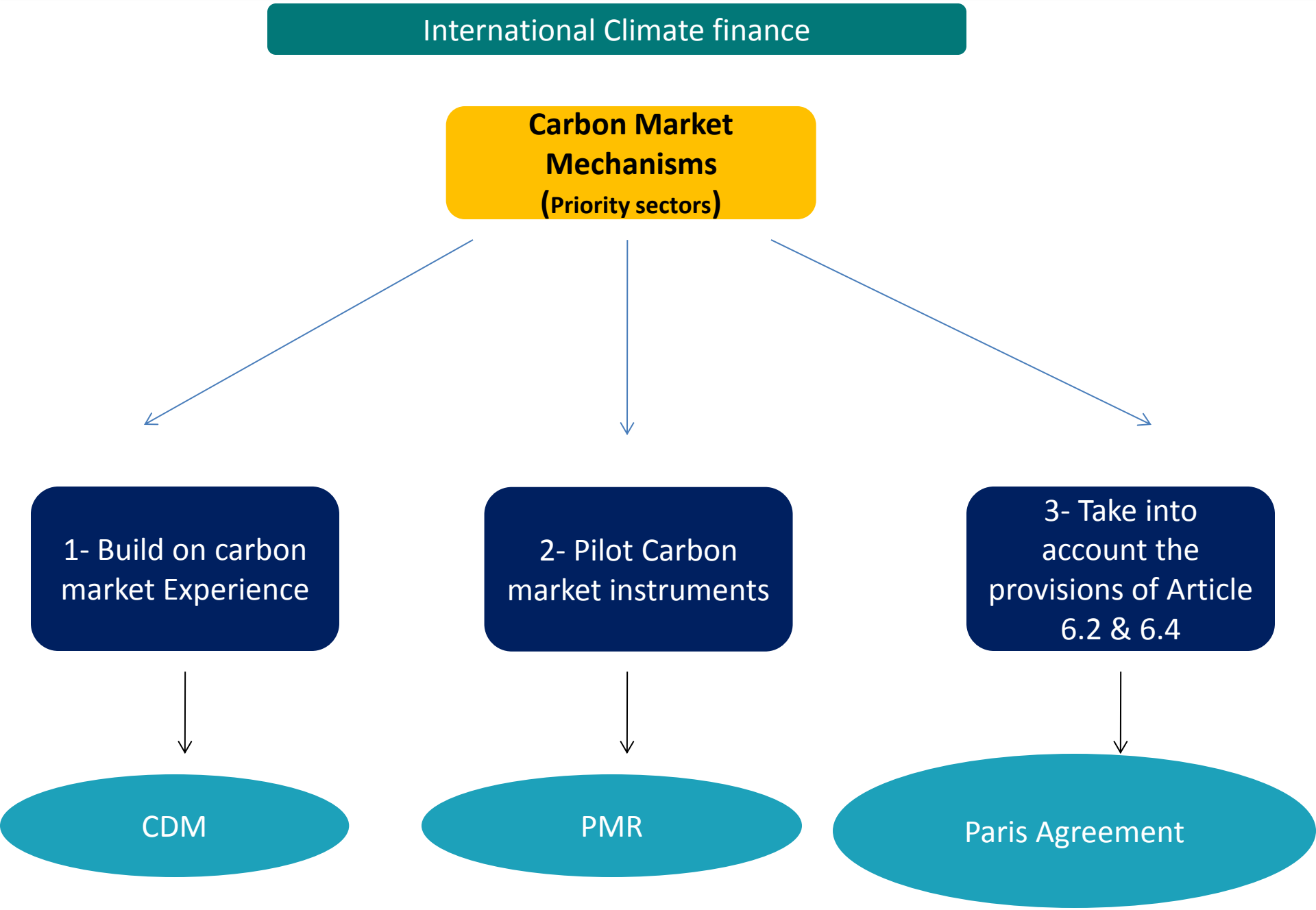
85% of funding needs

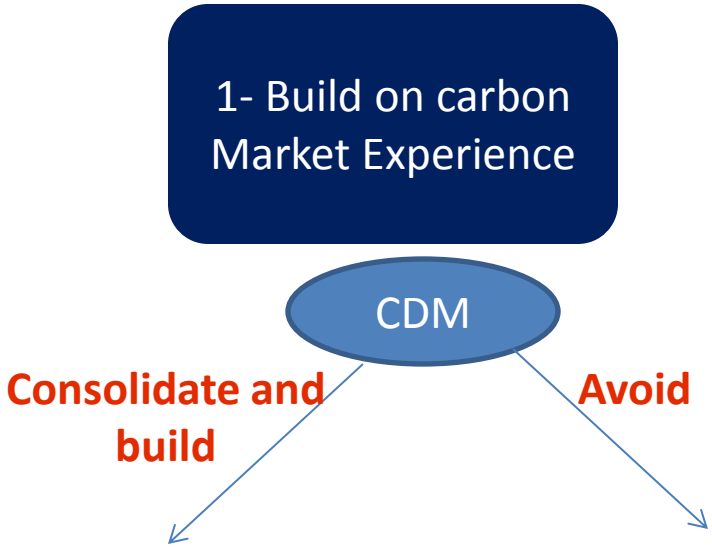
6% (1 billion $)
Cement sector

53% (8 billion $)
TSP

3: Carbon market mechanisms

3: Carbon market mechanisms



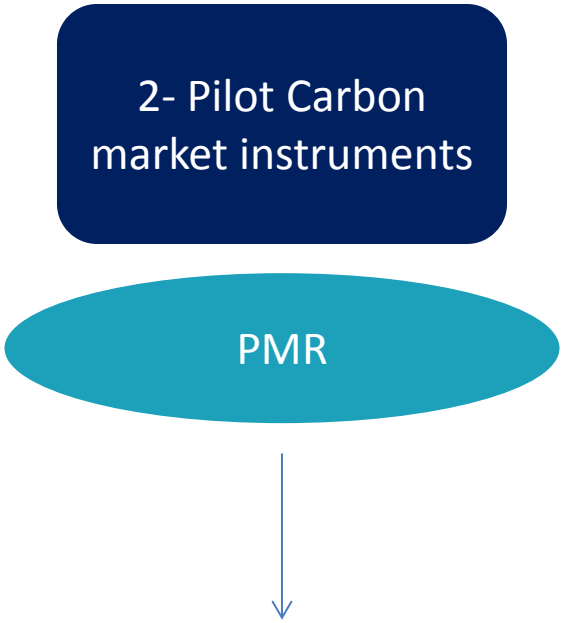


CDM gains

- Baseline definition
- EF calculation
- MRV …

CDM gaps

- High transaction costs
- Complex procedures
- Limited price visibility
- Lack of CER demand…



Tunisia joined the PMR initiative and will be exploring and then piloting the most suitable carbon market instruments with its national and economic circumstances

3- Take into account the provisions of Article 6.2 & 6.4

Paris Agreement

Submission to SABSTA in Sept 2016

Article 6.2

Activities und
follow a com
rules on MRV
common crit

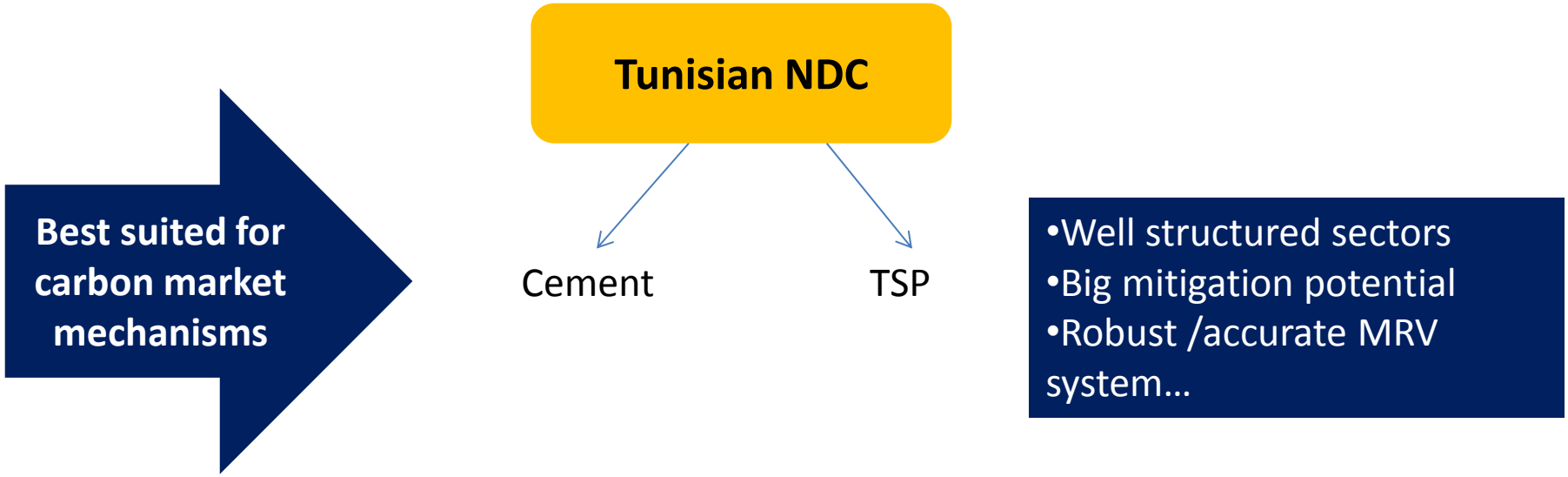
Article 6.4

established in
build on existing
odologies and
the KP
aspects of CDM
edures and
imit transaction

- Simplify procedures for complicated projects like building and transport sectors

The mecahnisms under the article 6.2 (CA) & the article 6.4 (SDM) shall operate with an evolutionary and dynamic floor price to set a long term price signal

Conclusion



Carbon market mechanisms can be a good opportunity to :

- Foster private sector participation in the efforts towards a low-carbon economy
- Access new funding sources
- Get additional funding and supplement international sources of climate finance
- Develop new financial mechanisms
- Improve profitability
- Help achieve the NDC goals