

NS-95 - Nationally Appropriate Mitigation Actions for low-carbon end-use sectors in Azerbaijan

Azerbaijan

NAMA Seeking Support for Preparation

A Overview

A.1 Party

Azerbaijan

A.2 Title of Mitigation Action

Nationally Appropriate Mitigation Actions for low-carbon end-use sectors in Azerbaijan

A.3 Description of mitigation action

This project is placed within the existing national framework of Azerbaijan and provides a particular focus on a *programmatic NAMA* approach that reflects specific greenhouse gas mitigation measures to be implemented by SOCAR, the national oil company of Azerbaijan.

The **specific objective** of the project is to support SOCAR in the development and implementation of selected programmatic NAMAs in the low-carbon end-use sectors, where pilot investments will be directed into low energy and low carbon technologies that are so far missing on a large scale on the Azeri market. The concept of NAMAs represents a valuable opportunity for a large enterprise, such as SOCAR, to developing and implementing a large scale GHG mitigation program that is in line with the company's long-term sustainable development strategy and simultaneously will target the country's institutional & policy framework, address appropriate mechanisms and result in activities to realise significant GHG emission reduction achievements in the long term.

The proposed project is set within the country's ambitions to reduce GHG emissions and energy intensity of major energy end-use sectors in Azerbaijan and simultaneously introduce innovative energy efficiency and renewable energy technologies in main energy end-use sectors such as buildings and transportation systems.

The project will address on the one hand the existing potential to improve the energy performance of main end-use sectors on the Azeri market, namely buildings (new and existing residential, service and public buildings) and transportation (passenger cars, trucks, buses, special purpose vehicles). On the other hand, the oil & gas production sector being one of the main sources for GHG emissions in Azerbaijan, will be addressed in terms of mitigation activities that will indirectly benefit the energy end-use in the country through capturing of associated gases evaporating from existing on-shore oil and gas fields and utilising the gas as a fuel source for nearby residential areas that are otherwise affected by large-scale deforestation activities.

The project has been organised around *four outcomes* and will be implemented over a period of five years.

- Outcome 1: Assessment of GHG emission mitigation potentials and voluntary target setting;
- Outcome 2: Design & establishment of NAMAs in oil & gas end-use sectors;

- Outcome 3: Implementation of a set of (up to 3) project NAMAs in the oil & gas end-use sector;
- Outcome 4: Monitoring, Reporting & Verification system and national registry for mitigation actions in the energy generation and end-use sectors to be set up.

A.4 Sector

<input checked="" type="checkbox"/> Energy supply	<input checked="" type="checkbox"/> Transport and its Infrastructure
<input checked="" type="checkbox"/> Residential and Commercial buildings	<input type="checkbox"/> Industry
<input type="checkbox"/> Agriculture	<input type="checkbox"/> Forestry
<input type="checkbox"/> Waste management	

Other

A.5 Technology

<input type="checkbox"/> Bioenergy	<input type="checkbox"/> Cleaner fuels
<input checked="" type="checkbox"/> Energy Efficiency	<input type="checkbox"/> Geothermal Energy
<input type="checkbox"/> Hydropower	<input type="checkbox"/> Solar Energy
<input type="checkbox"/> Wind Energy	<input type="checkbox"/> Ocean Energy
<input type="checkbox"/> Carbon Capture and Storage	<input type="checkbox"/> Low till / No till
<input type="checkbox"/> Land fill gas collection	

Other

A.6 Type of action

<input type="checkbox"/> National/ Sectoral goal	<input type="checkbox"/> Project: Investment in machinery
<input type="checkbox"/> Strategy	<input type="checkbox"/> Project: Investment in infrastructure
<input checked="" type="checkbox"/> National/Sectoral policy or program	<input type="checkbox"/> Project : other

Other

A.7 Greenhouse gases covered by the action

<input checked="" type="checkbox"/> CO2	<input checked="" type="checkbox"/> CH4
<input type="checkbox"/> N2O	<input type="checkbox"/> HFCs
<input type="checkbox"/> PFCs	<input type="checkbox"/> SF6

Other

B National Implementing Entity

B.1.0 Name

B.1.1 Contact Person 1

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B.1.9 Contact Person 3

B.1.10 Address

B.1.11 Phone

B.1.12 Email

B.1.13 Comments

UNDP is one of the lead agencies of the GEF to implement enabling activities and capacity development activities related to climate change mitigation. In Azerbaijan, UNDP has supported the country in developing its First and Second National Climate Change Communication to the UNFCCC and

is currently supporting the Government for the preparation of the Third National Climate Change Communication. This UNDP / GEF Project is fully aligned with the Outcome 3 of the Country Program Document (2010-2015) for Azerbaijan related to environmental sustainability and has a target to assist the Government in reducing the carbon intensity of GDP. UNDP Country Office in Azerbaijan has a strong climate change portfolio consisting of the following initiatives: Promoting Development of Sustainable Energy in Azerbaijan, Solid Waste Management Improvement Project and Capacity Building for CDM (both completed); and a dedicated climate change team.

Globally, this project falls under UNDP Signature Program 3 “Access to New Finance Mechanisms” which is aimed at promoting new approaches to leveraging finance for climate mitigation projects and programs, such as sectoral crediting, CDM PoAs and NAMAs. Proposed project is one of a series of similar initiatives UNDP is designing/implementing across the world focused on NAMAs in energy generation/end-use sectors, such as the project “Nationally Appropriate Mitigation Actions in the Energy Generation and End-Use Sectors in Peru”, approved by GEF Council in 2012.

C Expected timeframe for the preparation of the mitigation action

C.1	Number of months for completion	18
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D Currency

D.1	Used Currency	<input type="text" value="AED"/> Conversion to USD: 1
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E Cost

E.1.1	Estimated full cost of preparation	100000
E.1.2	Comments on full cost of preparation	Full cost of preparation include all categories of costs: capacity building, technical assistance and the cost of required external expertise to prepare and justify the NAMAs. Following the NAMA development, the Global Environment Facility will contribute 3.57 mln US\$ for the implementation of the NAMA.

F Support required to prepare the mitigation action

F.1.1	Amount of Financial support	100000
F.1.2	Type of required Financial support	<input checked="" type="checkbox"/> Grant <input type="checkbox"/> Loan (sovereign) <input type="checkbox"/> Loan (Private) <input type="checkbox"/> Concessional loan <input type="checkbox"/> Other <input type="text"/> <input type="checkbox"/> Guarantee <input type="checkbox"/> Equity <input type="checkbox"/> Carbon finance
F.1.3	Comments on Financial support	
F.2.1	Amount of Technical support	
F.2.2	Comments on Technical support	
F.3.1	Amount of capacity building support	

F.3.2 Type of required capacity building support

Individual level
 Institutional level
 Systemic level
 Other

F.3.3 Comments on Capacity Building support

F.4 Financial support required

F.5 Technological support required

F.6 Capacity support required

G Relevant National Policies strategies, plans and programmes and/or other mitigation action

G.1 Relevant National Policies

SOCAR has implemented a very ambitious voluntary commitment to reduce its own emissions by 40% or an equivalent of aggregate 20 mln tCO₂ by the year 2020. This commitment and the actions to achieve them are spelled out in the *SOCAR's Climate Change Strategy* adopted by the Company's Board in December 2010. During the development of this strategy, joint assessments of several mitigation options within SOCAR's enterprise were researched and summarized:

- Improvement of the GHG inventory and monitoring system
- Perspectives of development of future Eco-Park complex
- Study of use of alternative fuels used within SOCAR's vehicle fleet
- Energy efficiency at own production sites including the option to capture the by-gas of oil wells and making the collected gas available for end users (gas heating in households, alternative fuel options developing).

G.2 Link to other NAMAs

H Attachments

H Attachments

Title	Description
PIMS5138 UNDP-GEF Project Information Form (PIF) AZE NAMA v6 (NAMAs) for low-carbon end-use sectors in .docx Azerbaijan"	approved by GEF Council in 2013

H.1 Attachment description

H.2 File

I Support received

I.1 Outside the Registry

Support received from the Global Environmental Facility (GEF) in the amount of 100,000 US\$ for the development of full-size UNDP-GEF project proposal

I.2 Within the Registry

Support provided	Support Type	Amount	Comment	Date
Global Environment Facility (GEF) Trust Fund	Financial	100,000		6/4/2014 4:07:18 PM