

NATIONAL CBIT project in Azerbaijan - key objectives and expectations

Dr. FUAD HUMBATOV

**Team Leader for FNC preparation, Ministry of Ecology and
Natural Resources of Azerbaijan (MEHR),**

**Regional workshop on MRV and the enhanced transparency
framework for Central Asia, November 12-13, 2019, Almaty,
Kazakhstan**

Why the CBIT is important for us?

The Capacity-building Initiative for Transparency (CBIT) was created at the request of Parties to help strengthen the institutional and technical capacities of non-Annex I countries to meet the enhanced transparency requirements defined in Article 13 of the Paris Agreement.

The CBIT has three aims:

- Strengthen national institutions for transparency-related activities in line with national priorities;
- Provide relevant tools, training, and assistance for meeting the provisions stipulated in Article 13 of the Agreement;
- Assist in the improvement of transparency over time.

Transparency and accountability are key pillars of the Paris Agreement, and the CBIT is one of the ways in which the GEF is supporting the successful implementation of the Paris Agreement. For example, CBIT activities dovetail with the GEF's critical provision of support to non-Annex I Parties to fulfill their reporting obligations under the UNFCCC, including National Communications and Biennial Update Reports.

The Paris Agreement requested the GEF to support the establishment of the CBIT through voluntary contributions during GEF-6 and future replenishment cycles. Following COP 21, the GEF established the CBIT within one year due to high levels of donor support and successful engagement with countries and other key stakeholders.

Many CBIT-supported countries have provided information and insights about the significant progress they are making to advance the enhanced transparency agenda at the national level, and how their progress is leading to domestic benefits in the form of: ,,

New policy tools;

- Improved inter and intra-agency coordination and consolidation of efforts;
- Enhanced trust supporting the implementation of Nationally Determined Contributions (NDCs), both on the national front and with the international community; and
- Improved understanding of how current resources are being utilized

Do you know the fact that..?

- ▶ 88 percent of CBIT countries are using GEF support to address specific technical gaps in their domestic measurement, reporting and verification (MRV) systems.
- ▶ Azerbaijan is one of these countries...

Framework of MRV system in the Republic of Azerbaijan

- ▶ Azerbaijan signed the Paris Agreement on 22nd of April 2016 and approved it on 28th of October 2016.
- ▶ In the INDC document the country expresses the intention that: “ By 2030 the Republic of Azerbaijan targets 35% reduction (25.666 thousand ton CO2 equivalent (excluding LULUCF) and 24.374 thousand ton CO2 equivalent (including LULUCF)) in the level of greenhouse gas emissions compared to 1990/base year as its contribution to the global climate change efforts”.

Types of MRV

- MRV of Emissions - MRV of emissions is a concept to measure, report and verify quantifiable emissions data at national, regional, sectorial or installation levels.
- MRV of NAMAs - MRV of actions is a concept to measure, report and verify the impacts of mitigation policies and actions.
- MRV of Support Received - MRV of support can vary significantly depending on the type of support. (ie. financial flows, technology transfer, capacity building and their impacts.

Key requirements of institutional mechanisms for an overall effective MRV system

- ▶ A strong, sustainable network of the relevant organizations with a wide range of experts with diverse experience (actually is being upgraded in Azerbaijan);
- ▶ Clear responsibilities with a single body designated for overall coordination. (Ministry of Ecology and Natural Resources of Azerbaijan);
- ▶ Good coordination and clear communication channels, including legal/administrative mechanisms for collecting, processing and measurement of the relevant GHG inventory data, mitigation actions etc. (the relevant legislation is going to be adopted in Azerbaijan);
- ▶ Pool of high qualified experts and the relevant independent bodies of verification process (in the stage of establishment of such verification bodies);
- ▶ Successful planning of the overall system.

Reporting of emissions

- ▶ Azerbaijan has own system to monitor and report pollutant emissions into atmosphere and an administrative set-up with specific requirements to limit the pollution.
- ▶ However, there is still a need to upgrade the annual reporting format with a large focus on all GHG emissions.
- ▶ Measurement and reporting of emissions, including GHGs, is carried out annually by entities themselves (actually it's organized only for industry and energy sectors and it is going to cover other sectors)
- ▶ Relevant department of the Ministry of Ecology and Natural Resources analyzes and approves the data provided by entities.
- ▶ The entities submit their annual reports **via online data collection software system** effectively installed by the State Statistics Committee of the Republic of Azerbaijan.

Reporting of mitigation actions

- ▶ Recently there was prepared the tabular format for collection of the actual information on the all implementing and adopted mitigation actions, their effects etc. data in order it prepare the National Communications and BURs in line the relevant UNCCC Guidelines.
- ▶ Moreover it has been established Inter-ministerial Group for Facilitation of Data Collection and Final Report Approval Process for BUR2 and NC4 in line with the Quality Assurances Requirements.

Questionnaire on mitigation actions

1	Mitiqasiya tədbirinin adı, ətraflı təsviri, məqsədi, məsul təşkilat, icraçı qurum, koordinasiya məsələləri, tədbirin bütün mərhələləri və s.	
2	Mitiqasiya tədbirinin xüsusiyyəti, aid olduğu təsərrüfat sahə(ləri) və AR-in hansı bölgəsində və ya bölgələrində həyata keçirilir?	
3	Mitiqasiya tədbirinin statusu (həyata keçirilmiş, həyata keçirilməkdə olan, realizasiyaya qəbul edilmiş lakin hələ başlanılmamış, planlaşdırılan)	
4	Mitiqasiya tədbiri hansı perioda nəzərdə tutulur (başlanğıc və son illər mərhələlər üzrə dəqiq göstərilməklə)	
5	Mitiqasiya tədbiri hansı tip İEYQ emissiyası mənbələrinə qarşı yönəlmişdir və tədbirin sonunda hansı həcmdə emissiyanın azaldılmasına səbəb olacaqdır? İEYQ bunlardır: Karbon qazı (CO_2), Metan qazı (CH_4), Nitrogen-oksidi (N_2O), Hidrofluorkarbon (HFC_s), Perfluorkarbon (PFC_s), Kükürd -hekza-fluorid (SF_6), Nitrogen tri-flüorid (NF_3) və ya digər qeyri-birbaşa istilik effekti yaradan emissiyalar (SO_2, NO_x, CO) və s.	
6	Mitiqasiya tədbirinin hazırda hansı mərhələləri icra olunmuşdur, nə kimi ilkin nəticələr əldə edilmişdir, hansı maliyyə mənbəyindən istifadə edilmişdir (dövlət dəstəyi və ya donör layihələr və s.) ?	
7	Mitiqasiya tədbirinin hazırkı statusunda hansı tip İEYQ emissiyaların və hansı həcmdə (CO_2 ekvivalentində) azaldılmasına səbəb olmuşdur?	
8	Mitiqasiya tədbirinin hazırda nə kimi digər sosial-iqtisadi effektləri mövcuddur?	

MRV for BUR and NC: Azerbaijan experience

- ✓ Ministry of Ecology and Natural Resources (hereafter MENR) is responsible body for overall coordination;
- ✓ MENR initiates a process of data collection and monitoring based on surveys provided by group of experts hired by UNDP in the framework of BURs and NCs projects;
- ✓ MENR advises use of relevant methodologies, including GHG inventory and mitigation measures assessment;
- ✓ In framework of technical and institutional capacity building and based on gaps and capacity building needs indicated in final report of TTE (technical analysis of BURs) MENR organizes relevant trainings (LEAP skills etc.) and seminars in close cooperation with UNDP;
- ✓ In framework of Quality Assurance (QA) final draft of BURs and NCs is being sent by MENR to relevant ministries and Scientific Institutes for review and comments
- ✓ Climate Change and Ozone Center of MENR is responsible for archiving of all relevant information

Pilot application of MRV in Azerbaijan: SOCAR case

In early 2007 the SOCAR (The State Oil Company of Azerbaijan Republic) established its own measurement, reporting and verification system. The mentioned MRV system has 3 stages:

- ▶ Structural units of SOCAR prepare reports on GHG emissions;
- ▶ The Ecological Department of the SOCAR carries out the relevant monitoring (i.e. the measurement of the data) of those structural units and prepares monitoring reports on a monthly basis;
- ▶ Afterwards the external evaluator (usually from Big 4s) contracted by the SOCAR provides independent verification process and prepares the summary report which is being an integral part of the Sustainable Development Report of the company.

Results of MRV implemented by SOCAR

- ▶ GHG inventory in SOCAR was initiated from 2007 as well. The group of experts was assigned to perform an emission source inventory as well as to collect the relevant data.
- ▶ Measurement equipment provided by WB Global Gas Flaring Reduction (GGFR) initiative was used to identify the level of methane emissions of Associated Petroleum Gases (APG) from oil production activities
- ▶ In 2010 Mitigation Strategy (2010-2020) and Associated Petroleum Gas (APG) reduction plan (2010-2015) were prepared in close cooperation with German consulting agency DIW econ and WB Global Gas Flaring Reduction initiative (GGFR)

Results of MRV implemented by SOCAR

- ▶ Two projects activity were registered as Clean Development Mechanism (CDM) in 2012:
 - a) Capture and processing low pressure associated gas from the Neft Dashlari and Palchiq Pilpilassi oil fields of SOCAR
 - b) Recovery and transport of the vented gas at the Guneshli (oil and gas field) in Azerbaijan
- ▶ Monitoring of project activities, as well as monitoring of Strategy and Plan implementation were performed on yearly basis and relevant report submitted to the company management
- ▶ In 2013 Internal audit group was organized on the basis of Monitoring Department of SOCAR.
- ▶ New Associated Petroleum Gas reduction Plan (2017-2022) was prepared in response to the “Zero Routine Flaring by 2030” initiative introduced by the World Bank
- ▶ New Mitigation Strategy currently is under preparation

MRV NAMA - SOCAR

- ▶ On the base financial resources of GEF and SOCAR, there has been jointly implementing the project “**Nationally Appropriate Mitigation Actions (NAMAs)** for low-carbon and end-use sectors in Azerbaijan” (2015-2020): in the following 3 directions
 - energy efficiency in administrative buildings of SOCAR, (40% of emissions reduction is envisaged)
 - transition to an alternative fuel in transport (eco-driving)
 - associated gas capturing from oil wells (reduce methane emissions by on-shore oil field in Azerbaijan by 20 percent).

For supported (externally funded) NAMAs, an international MRV were used in accordance with the guidance of the UNFCCC.

International and local experts were hired by UNDP to establish MRV system for NAMA.

What's the best practice of MRV for energy efficiency component of the NAMA in Azerbaijan?

For energy efficiency in building component plan of monitoring was elaborated, including:

- a) Classification of buildings;
- b) Data acquisition system;
- c) Parameters to be monitored
- d) Data management system
- e) Data Quality Control System (QA / QC)
- f) Data archiving for BL and NAMA
- g) Database

▶ Thank you for kind attention

▶ Təşəkkürlər

▶ fuad.humbatov@undp.org

▶ +994502704373