



"Sawdust 2000" Joint Implementation project - success story in Romania -



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Overview



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Introduction

- ✦ “Sawdust 2000” project was launched by the Danish Environmental Protection Agency (DEPA) and the Romanian Ministry of Environment and Water Management in 2001
- ✦ The pilot project was implemented in a small town in Romania (Tasca) in the period 1999 - 2001
- ✦ Fuel switching project implementing technology for using the sawdust (wood dust) as an energy source replacing fossil fuels in the district heating systems



Existing situation

Further assessment in cooperation with the Romanian Agency for Energy Conservation proved that 5 medium size towns fulfilled the requirements established for the project implementation:



- Existing district heating systems in operation
- Developing the "Sawdust 2000" as a JI project
- Allocating 10% of the investment from the local budget
- Identifying wood waste resource as sufficient
- Strong commitment at the local and regional level

Target group

☛ The 5 medium sized towns included in the project: **Gheorghieni, Huedin, Intorsura Buzaului, Vatra Dornei and Vlahita**



- ☛ Project to be developed based on the KP's Joint Implementation mechanism, Romania and Denmark concluded a Memorandum of Understanding in January 2003 - framework agreement for all JI projects to be implemented in Romania
- ☛ In March 2003, MEWM and DEPA signed the Project Agreement for the JI project "Sawdust 2000"



Costs of implementation

- ✦ Total budget of the project ~ 14 million EURO, from which:
 - 22% Joint Implementation mechanism – DEPA;
 - 48% EU Phare 2001 Programme – “Regional Tourism Development” – EU Delegation in Romania accepted to participate in this project (funds managed by the Romanian Ministry of Development);
 - 20% Special Fund for the Energy System Development managed by the Ministry of Economy and Trade;
 - 10% local budget.
- ✦ Project implemented in the period 2002-2004
- ✦ GHG emissions reduction ~ 700,000 ERUs and AAUs in the period (2004-2012)

Demonstrated success story

- ✦ All 5 district heating systems in operation
- ✦ All 5 plants were commissioned in 2004
- ✦ Monitoring of emission reductions started
- ✦ Renewable, CO₂ neutral energy project
- ✦ Utilisation of local energy resources
- ✦ State, county or municipality subsidizing of heat consumer energy prices can be reduced, and removed in time
- ✦ Improvement of the social standard



Lessons learned

- ☀ Reduction of the environmental impact caused by illegal dumping of wood waste from sawmills and wood processing industry
- ☀ CO₂ and CH₄ emissions reduction
- ☀ Development of new business areas
- ☀ Decrease of the heat consumer energy price paid by consumers,
- ☀ Complete rehabilitation of the district heating systems
- ☀ Development of business opportunities



Next steps

- ✿ MEWM and DEPA concluded in May 2004 the second Project Agreement for the "*Geothermal Energy in Oradea - Area II and Beius*" Joint Implementation project
- ✿ Fuel switch project addressing the district heating systems in two cities of Romania aiming to substitute fossil fuels (lignite, oil and natural gas) with local geothermal energy resources
- ✿ Implemented in 2004, and will start operating in the winter season 2004/2005
- ✿ GHG emissions reduction ~ 200,000 ERUs and AAUs (2005-2012)





Concluding remarks

- ✿ Joint Implementation is considered a success story in Romania
- ✿ Ministry of Environment appointed as National Focal Point for JI
- ✿ 9 Memoranda of Understanding signed with Annex I Parties (Switzerland, the Netherlands [2], Norway, Denmark, Austria, Sweden, France) and the IBRD's Prototype Carbon Fund
- ✿ 11 Joint Implementation projects approved and in different stages of development
- ✿ Eligibility criteria and methodology for JI approved
- ✿ Portfolio of projects under preparation

Thank you