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# **The Austrian JI/CDM Programme**

**UNFCCC/UNIDO Training of trainers workshop  
on preparing technology transfer projects for financing**

**1 October 2008**

- I. Who are we and what is the Austrian JI/CDM Programme?**
- II. CDM: innovative financing**
- III. Evaluation and approval procedures**
- IV. Project examples**

# Kommunalkredit Public Consulting (KPC)



**KPC** is the consulting subsidiary of **Kommunalkredit Bank** - Austrian largest Austrian bank for public finance.

**KPC** manages environmental support schemes and the Austrian JI/CDM-Programme on behalf of the Republic of Austria, Federal Ministry of Environment.



# Clean Development Mechanism (CDM)



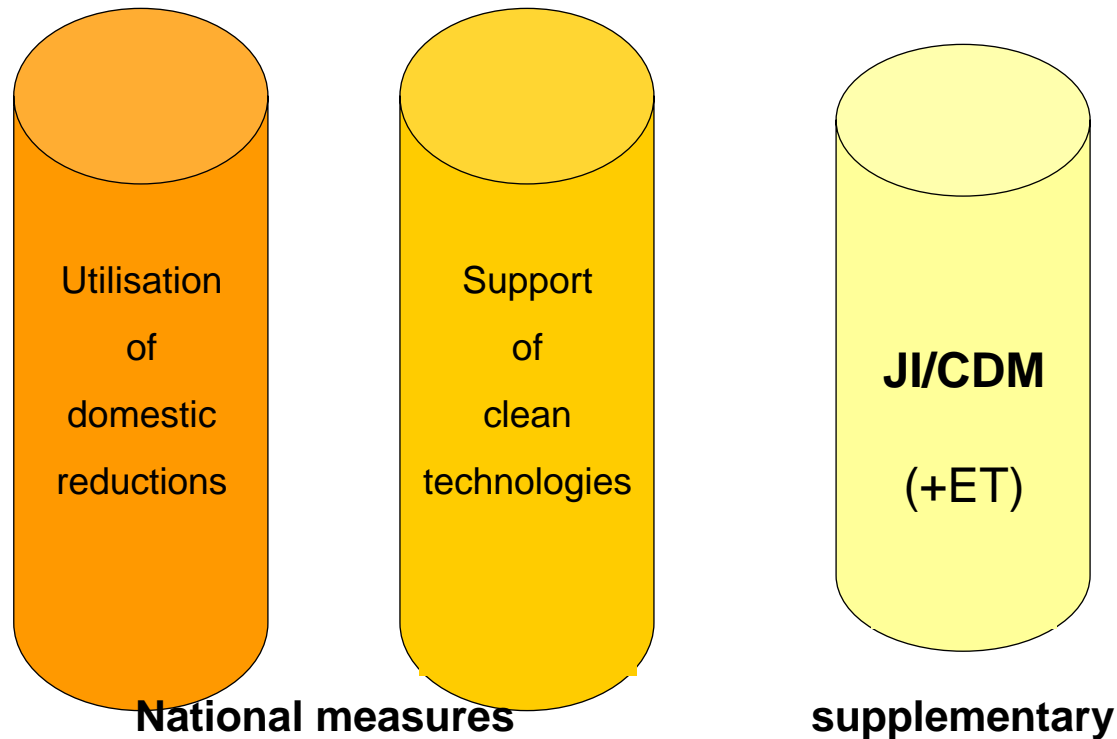
- Project-based mechanism
- Between industrialised (Annex I) country as investor and developing (non-Annex I) country as host country
- CDM allows **eligible projects** in developing countries to earn „Certified Emission Reduction“ credits.
- **Transfer of technology, investment and sustainable development** in developing countries.
- Precondition: the emission reductions are **additional** to what would have occurred without the project.

# The Austrian Kyoto-Target



## Austrian National Climate Strategy:

- **National measures** in various sectors => domestic emissions reduction
- **Kyoto mechanisms (supplementary):** Supplementary application of the flexible mechanisms of the Kyoto Protocol (JI and CDM) ~ 9 mio. t per year



# Management of the Austrian JI/CDM Programme



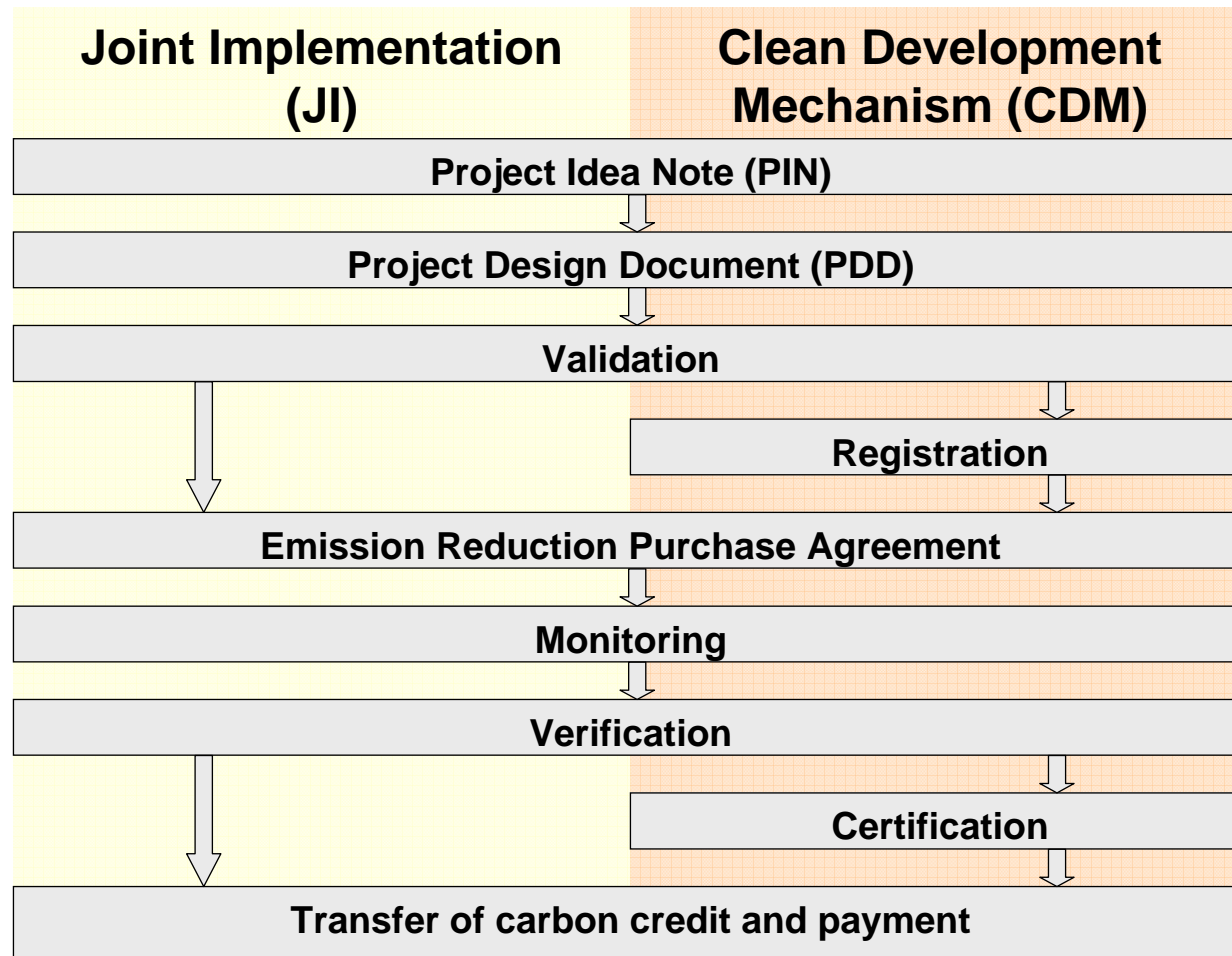
- Sourcing of eligible projects
- Funding Contracts for Project Development
- Negotiation and Conclusion of ERPAs
- Recommendation to Austrian JI/CDM Commission

- ERPA Administration
- Monitoring agreements
- Payment on Delivery
- max. 50% Prepayment
- Risk Management

**We buy for Austria's compliance**

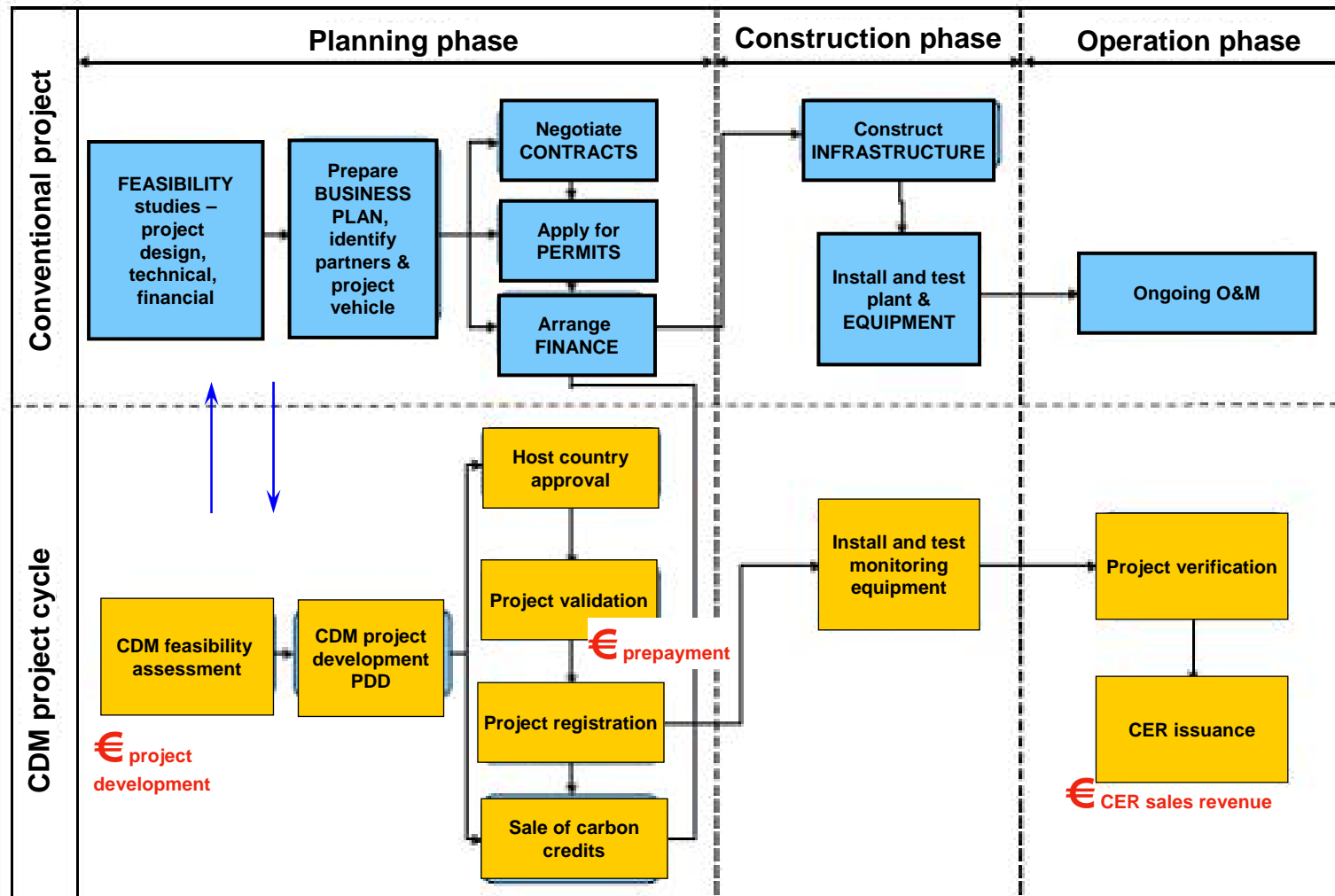
## II. The CDM: innovative financing for technology transfer projects

# JI/CDM Project cycle (simplified)





# Conventional and CDM Project Cycle



Source: Guidebook to Financing CDM Projects (UNEP CD4CDM), modified.

# Contribution to project investment



Project Type	Sales revenue in relation to total investment
➤ Wind power	5-10%
➤ Hydro power	5-10%
➤ Biogas	10-40%
➤ Biomass	20-30%
➤ Landfill Gas	up to 100%

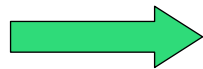
Source: KPC's project portfolio



## III Evaluation and approval procedures of the Austrian JI CDM Programme

## Evaluation (I): Evaluation criteria

- Kyoto-related criteria (baseline, monitoring plan)
- Economic criteria (economic viability, financial structure)
- Technical criteria (technical feasibility)
- Ecological criteria
- Socio-economic and development criteria



**Basic eligibility of a project  
& risk management**

## Evaluation (II): Checklist of documents



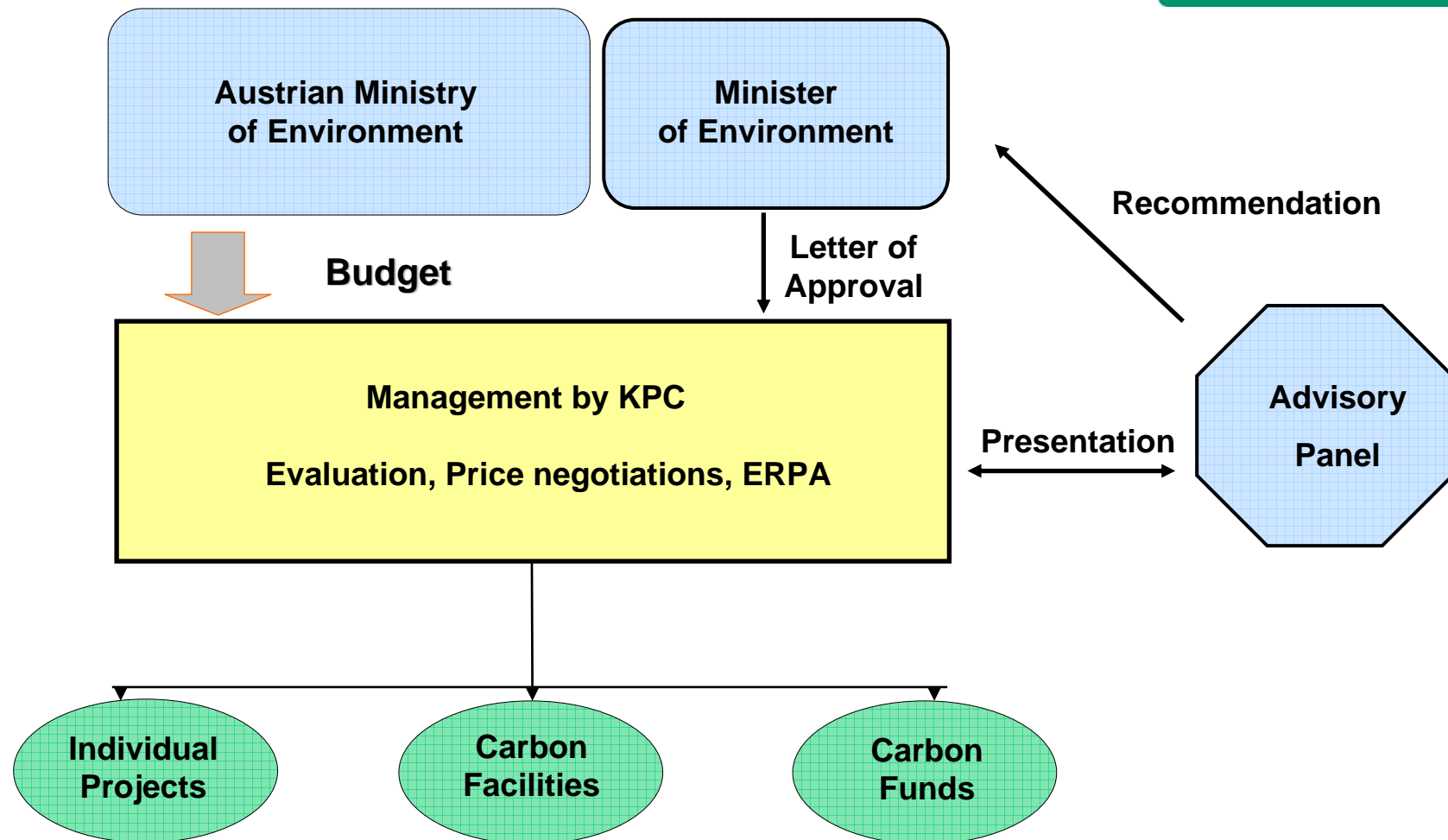
- Offer of emission reductions (**PIN template**)
- **PDD** including baseline study, monitoring and verification
- Business plan
- (preliminary) **Validation report**
- **Letter of Approval** by host country
- Extract from professional or trade register
- Financial and economic standing of the applicant  
(annual reports and financial statements, ownership structure)
- Documents on technical capacity  
(project references, staff resources, company profile)
- **Letter of social responsibility**
- **Austrian Questionnaire** (ecological, socio-economic and developments aspects)
- Other relevant documents (major contracts, permits, financing agreements)

## Evaluation (III): Project Idea Note (PIN)

... provides *indicative* information on

- Type and size of the project
- Location
- Anticipated total amount of GHG reduction  
(as compared to the “business-as-usual” scenario)
- Suggested crediting life time
- Suggested price (€/ ton CO<sub>2</sub>e reduced)
- Financial structuring (who provides finance?)
- Socio-economic and environmental effects / benefits

# Approval Procedure of the Programme



# Project examples



# Project Example

## Jct Phagwara small scale Biomass, India



### Technical Data

- Biomass            Rice husks
- Generator        5.5 MW
- Electricity        31,500 MWh/a
- Tot CO<sub>2</sub> Red.    **147,000 t CO<sub>2e</sub>**



# Project Example

## V.P. Farms Pig Manure Methanisation, Thailand



### Technical Data

- Biogas                      Animal manure
- Electricity                10.11 MWh/a
- Tot CO<sub>2</sub> Red.        **163,000 tons of CO<sub>2e</sub>**



# Project Example

## Talia Landfill Gas Recovery, Israel



### Technical Data

- Waste 3 mio. t
- Capacity 2 MWel
- Energy Generation 16 GWh/a
- Tot CO<sub>2</sub> Red. **245,000 t CO<sub>2e</sub>**



# Project Example

## Hunan Dongping Hydropower, China



### Technical Data

- Capacity 72 MWeI
- Energy Generation 271 GWh/a
- Tot CO<sub>2</sub> Red. **978,400 t CO<sub>2e</sub>**





Thank you!

[www.ji-cdm-austria.at](http://www.ji-cdm-austria.at)

The Austrian JI/CDM Programme


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**Team** 

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